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the Senate and committee hearings are available at

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SITTING DAYS—2012

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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

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For information regarding frequencies in other locations please visit
http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, Sean Edwards, David Julian Fawcett, Mark Lionel Furner, Scott Ludlam, Gavin Mark Marshall, Bridget McKenzie, Claire Mary Moore, Louise Clare Pratt, Arthur Sinodinos and Ursula Mary Stephens
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 Christine Anne Milne
Chief Government Whip—Senator Anne McEwen
Deputy Government Whips—Senators Carol Louise Brown and Helen Beatrice Polley
Chief Opposition Whip—Senator Helen Kroger
Deputy Opposition Whips—Senators David Christopher Bushby and Christopher John Back
The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert

Printed by authority of the Senate
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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.
(3) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice Hon. M. Arbib, resigned 5.3.12), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.
(7) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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<tr>
<td>Prime Minister</td>
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<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
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<tr>
<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
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<tr>
<td>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
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<tr>
<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
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<td>Senator the Hon Chris Evans</td>
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<tr>
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<td>The Hon Greg Combet AM MP</td>
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<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary for Higher Education and Skills</td>
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<td>Minister for the Arts</td>
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<td>Minister Assisting on Queensland Floods Recovery</td>
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<td><strong>Minister for Families, Community Services and Indigenous Affairs</strong></td>
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<tr>
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<td>Senator the Hon Jan McLucas</td>
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<tr>
<td>Minister for Trade and Competitiveness</td>
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<td>The Hon Justine Elliot MP</td>
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<td><strong>Parliamentary Secretary for Pacific Island Affairs</strong></td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12:30, read prayers and made an acknowledgement of country.

BILLS
Australian Charities and Not-for-profits Commission Bill 2012
Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012

Second Reading
Debate resumed on the motion:
That these bills be now read a second time.

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:31): In continuation, at the time we adjourned last night I was talking about the importance of the NGO sector and the fact that we need legislation to protect the independence of the not-for-profit sector, both for the right of an organisation to exist and to ensure that government does not use its position, often of sole-funder status, to stop not-for-profit advocacy. If you remember—I am sure everybody does—I was talking about the important role of NGOs in advocacy and their leadership in policy development.

Government is often the sole provider of funds for many of the social, cultural and environmental services that not-for-profits provide. Government, therefore, is clearly in a powerful position compared to the not-for-profit sector and service providers when they are negotiating. The threat of loss of DGR status or a grant is a very powerful one because it means that not-for-profit organisations are unable to carry out their functions effectively and to the full extent possible. Given that not-for-profits and charities are dependent on these funds for their survival, it is very important that we ensure that there is guaranteed independence for these organisations.

It is fair to say that, in the past, governments have taken advantage of this power to try to silence the not-for-profit sector into silent dissent. We saw in the past, during the Howard era, gag clauses imposed on not-for-profit organisations. The present government, to its credit, removed most of those onerous aspects of such clauses. However, we are seeing a return to this approach with gag clauses. During the Senate committee's inquiry we heard about gag clauses being imposed on the not-for-profit sector by the Queensland government. In other words, they are going back to the bad old days when they expect not-for-profit organisations to sit there, be quiet, provide services but not advocate for their clients, both individually and-or for systemic change.

Even with government grants, it can be rather oblique when governments say to organisations, 'You need to run your media comments past us before you release them.' Again, that limits the independence of not-for-profits. We need to ensure, therefore, that the independence of the not-for-profit organisations is protected.

For all these reasons, it is absolutely critical that the individual components of this bill reflect the commitment to an independent vibrant sector. We felt it was very important that this was outlined in the objectives of this particular legislation. However, although it was included in the objectives, there were some components of the bill that did not properly support this outcome without amendments. That is why we are particularly pleased that the government has amended this bill to include the process of articulating upfront that governance standards cannot impinge on the
independence nor the advocacy role of not-for-profit organisations. We are also pleased that the government has announced the process of bringing in a separate piece of legislation that means gag clauses cannot be imposed.

This bill allows for governance standards to be established by regulation. I recognise that this has come about because of the difficulties and the time frame both the sector and the government encountered in attempting to draft these standards. This is particularly because we have such a diverse range of strong and vibrant charities and not-for-profit organisations in this country that do totally different things. It is very hard to come up with a set of governance standards that covers all of them, therefore more time was needed.

Given that the governance standards trigger very significant powers for the commissioner and can lead to a charity having its registration revoked, we simply cannot leave these standards to the manner by which the government proposed the regulations would operate. We need to increase the safeguards to ensure that they have better certainty in place and cannot be easily revised to the detriment of the sector in the future. These issues were raised in the committee's inquiry and I am pleased that the government will move amendments that deal with them.

The Australian Greens recommended that the governance standards should be only a minimum standard of contact and be principle based, specifying the outcome to be achieved rather than detailing an entity would meet the standards. We also recommended clarifying and limiting some of the currently unfettered powers of enforcement that had been provided to the commissioner—such as the 'more likely than not' clause which gives the commissioner the power to act pre-emptively to prevent a breach of the standards.

Similarly, section 15-10 of the ACNC bill outlines matters that the commissioner must have regard to when exercising powers and functions, which includes the maintenance, protection and enhancement of public trust and confidence in the not-for-profit sector. We were concerned that, as they stood, these provisions gave the commissioner too much power to take pre-emptive enforcement action when an organisation had not as yet breached the conduct standards and could be used to look beyond specific breaches of legal liability and responsibility towards subjective judgements about how the not-for-profit sector should operate.

All of these recommendations reflect the comments that were provided by the charities and not-for-profit sector, who submitted evidence to the committee process. The amendments that have been circulated have finally resolved the biggest problems associated with these bills—that is, the governance standards. I hope that with these amendments we will get a more satisfactory process around the commission. Many organisations participated in this process looking at this legislation and I thank them very much, because the not-for-profit sector are often so busy delivering their vital community services that they have little time to participate in these sorts of overarching discussions.

Currently, the not-for-profits have to report across a number of government departments as well as state and territory regulations, depending on the size of the organisation. Issues around red tape are absolutely critical for the sector and they came up extensively during the committee process. As it stood, we thought the process did not articulate enough how the government intended to deal with issues
around red tape. This matter came up repeatedly and there was much criticism that this bill could drive more red tape. That is why the government has also circulated some amendments to deal with issues of red tape. One of these is that the commissioner will be required to report to parliament specifically against red tape reduction. Also, the charity passport will be developed, and I think that will also assist.

It is very important that we have the commissioner driving the process of red tape reduction. If the commissioner does not have that specific mandate, I am concerned that red tape reduction will fall off the agenda and that there will be no-one driving specific government departments to work across and within government departments. I think we have made some significant progress there. This brings me to the point about the commission and the commission's role in consultation on governance standards. That is another particularly important amendment that has been circulated: that the commissioner will be involved intimately in the consultation process to set up the governance standards.

In conclusion, these amendments that have been circulated by the government include some extensive amendments, but they also reflect the outcomes of the committee consultation process. The Greens will be supporting these bills, although in the Committee of the Whole I will be asking the government some particular points around mechanisms and the way the legislation will operate. We will be supporting this legislation with these amendments.

Senator STEPHENS (New South Wales) (12:40): I am very pleased to see us debating the Australian Charities and Not-for-profits Commission Bill 2012 and related bill at last. From my perspective, they breathe life into the reforms that have been so long in coming for Australia's not-for-profit sector. The government's commitment to establish the Australian Charities and Not-for-profits Commission, the ACNC, also reflects the sector's advocacy for the establishment of an independent, one-stop shop, specialist regulator. This regulator will provide the framework to support the vital contribution that not-for-profit organisations make to Australia's civil society. Rather than reflect any lack of trust in the sector, as the Senator Cormann said last night, in fact the ACNC supports public and government trust and confidence in the sector, which in turn helps charities and not-for-profits achieve their mission.

The government, working with the sector, is delivering an ambitious not-for-profit reform agenda. This reflects two very exciting though challenging phenomena: the impressive growth of and the wide-ranging changes taking place in the sector in Australia today. Australia's not-for-profit sector comprises around 600,000 entities. About 400,000 of those have access to Commonwealth tax concessions and about 56,000 of them are endorsed as charities. The sector contributes about four per cent of Australia's GDP and it is growing rapidly, with one million Australians employed in the sector and about five million volunteers involved. The sector turns over about $100 billion every year and has a 10-year annual growth rate of about five per cent a year—that is second only to the mining sector in Australia. The sector is at the heart of our education, our health, our arts, our culture, our sport, our environment and our welfare services.

Thanks to much hard work for a decade, during which I have been proud to be a strong advocate, the sector is finding its voice. It has grown its voice and its presence in Australian society because it has taken on many new responsibilities in areas of service.
coordination and delivery, and it has contributed to good policy development, shaping Australia's future. This is a good thing because a robust, vibrant, independent and innovative not-for-profit sector is vital in every modern democracy, and Australia is no different. I say 'robust' and 'independent' because, as Senator Siewert reminded us, who will ever forget the insidious, creeping, gagging clauses of the previous coalition government's contracts and funding agreements and the overt threat to cancel contracts, and the cuts to funding for organisations deemed to be advocating for policy change and not compliant with the government's agenda.

After a decade of hollowing out capacity and stifling innovation, it was a privilege for me to lead the work which led to the national compact with the sector. It was signed in 2010 and gave life to a new, robust and respectful relationship with the sector. So much work, so much time and so much commitment have gone into the development of this reform agenda, which includes the establishment of the ACNC, whose purpose is to deliver smarter and more effective regulation of the not-for-profit sector. The ACNC is future focused, its structural reform recommended by six reviews, including the comprehensive Report of the inquiry into the definition of charities and related organisations conducted under the previous coalition government and, of course, the 2010 Productivity Commission report.

Under the current arrangements, the Australian Taxation Office has the dual and potentially conflicting duties of determining an entity's charitable status as well as having responsibility for enforcing the taxation law. It acts as gatekeeper and enforcer. At the Commonwealth level, the Australian Securities and Investments Commission also plays a role in terms of its oversight of companies limited by guarantee. But the not-for-profit sector does not want to be regulated by the ATO or ASIC. Organisations have made it clear over the years, time and time again, that they want an independent regulator, one that understands the sector, one that understands not-for-profit organisations. The ACNC will be that independent and dedicated regulator, enabling the sector to consolidate its standing in the community through improved transparency and accountability.

The not-for-profit sector has the confidence of Australian society, but the opposition, in opposing this bill, say that the current arrangements are just fine. Last night Senator Cormann said that the ACNC is a solution in search of a problem. That is patently unfair and it is absolutely untrue. The not-for-profit sector is burdened by the complicated and duplicated regulatory obligations that are imposed on the sector. I have to say that the coalition are great champions of business, campaigning for harmonising regulation and reducing red tape for businesses—for the finance industry, for mining, for agriculture—but not the not-for-profit sector, which is larger than all of these except, as I said, mining. They believe the sector should be in the service of government. We believe the sector should be serving the Australian people, especially those who have little voice or representation.

Senator Siewert outlined the detailed history of the bills in the amendments before the Senate, and we will get a chance to debate them. Those amendments include providing additional parliamentary scrutiny of governance and external conduct standards to be made under the ACNC legislation and to codify the process for public consultation in the development of the standards. The objects of the bill are to cut red tape and reduce the regulatory burden, not to impose greater stresses on the sector. The ACNC will administer a 'charities
passport' and work to implement a 'report-once, use-often' reporting framework. This charity passport is the data that charities will report to meet the baseline corporate and financial reporting requirements of Australian government agencies. This will be supported by changes to the Commonwealth Grant Guidelines which will benefit the organisations that register with the ACNC.

The changes build on the introduction of the standard chart of accounts framework—another great piece of the government's not-for-profit reform agenda. Information will be in one place and, if an entity provides an annual audited financial statement to the ACNC, then a grant acquittal should not generally be required. It is light touch regulation commensurate with the risk involved in the funding agreement. The ACNC will report to the parliament and the sector by developing and publishing a red-tape reduction timeline and plan and reporting against that timeline. The ACNC taskforce is already hard at work, implementing these arrangements until the ACNC itself is established. An example of that is the work that is currently going on between AusAID, ACFID and the government, with AusAID staff working with the ACNC taskforce to improve the process of NGO accreditation and entry into the AusAID-NGO Cooperation Program, reducing the reporting burden on ACNC registered charities and increasing the focus of AusAID assessments on the effectiveness of Australian aid funds.

AusAID and the ACNC will also work together to educate and support overseas aid charities to understand their obligations. This partnership with the sector will free up significant resources for frontline services and is a great example of what the ACNC will be able to deliver. The ACNC will provide a platform for delivering a national approach to not-for-profit regulation. With no national regulator, there is no opportunity for that to happen—and that is why a harmonised, national approach to regulation has not been achieved to date.

Senator Cormann would like us to believe that the sector does not support this legislation. This is simply not true. Last night, he deliberately misquoted out of context evidence from UnitingCare Australia. The first quote addressed a proposed definition of 'basic religious charity'. At the time, the definition excluded religious charities that received government grants. UnitingCare Australia argued that receipt of a government grant should not be a trigger for additional reporting, an argument accepted by government. The second quote was actually preceded by this statement: 'The church is supportive of one-stop reporting and a regulation concept.' I warn coalition senators: every time that you misquote or misrepresent the views of people like Reverend Tim Costello, Patrick McClure, Martin Laverty, Anne Robinson, Father Brian Lucas, David Crosbie, Lin Hatfield Dodds, Ken Henry, Professor Myles McGregor-Lowndes and Productivity Commissioner Robert Fitzgerald, you are traducing the intellect and reputation of prominent Australians who have contributed to shaping this agenda over the past decade. It is you who are undermining trust and confidence in the sector.

Let me reiterate: this reform has been led by the sector itself. ACOSS, Volunteering Australia, Mission Australia, Anglicare, World Vision, UnitingCare, Catholic Social Services and Philanthropy Australia are some of the many not-for-profit charities and organisations that have helped shape the bill and support it publically and consistently. ACOSS said just recently:

The creation of the Australian Charities and Not-for-profit Commission is the culmination of a
long process and has broad support from the community and social services sector.

Chartered Secretaries Australia, in the Financial Review, contributed this view:

If we really want to support the NFP sector, the best way is to establish the ACNC, fulfilling the promise of all those inquiries and the desires of NFPs.

The Community Council for Australia said it:

… strongly supports the ACNC Bills on the basis that they provide for the establishment of an independent and responsive regulator for the charities and not-for-profit sector.

And Philanthropy Australia are supporting 'the principles of the ACNC being an independent regulator to deliver smarter regulation, reduce red tape and improve transparency and accountability within the sector'.

Last night Senator Cormann outlined the opposition's position, and I wondered, as I listened to him, whether he is not aware of or whether he is completely uninterested in the fact that the 2008 Senate inquiry brought down a unanimous report, the first recommendation of which was the introduction of an independent regulator.

So what has changed? I certainly hope Senator Mason's view has not changed. He was adamant when he spoke here in 2006, saying:

I have little doubt that the vast majority of organisations are doing the right thing and are doing great work. The problem is that we cannot sort out the many good not-for-profit groups from the handful of bad ones or those who are underperforming. It is my belief that this threatens the donor-charity trust relationship within the sector at large.

It is here that government needs to step in and provide clarity where confusion prevails. After all, the government does have a legitimate interest in the not-for-profit sector, as the sector is the beneficiary of a raft of taxpayer funded subsidies handed out by government.

… … …

Charities have a good reputation but trust can very easily be lost. It is vitally important that the sector makes itself more efficient and transparent, lest the sector experiences a decline in trust. There is a role here for government to step in and promote high standards within the sector and to establish a clear, transparent regulatory regime that will allow Australian charities to thrive in the 21st century.

Now we hear that the coalition not only is opposing the ACNC legislation but also will repeal the legislation and abolish the ACNC at the first opportunity.

The establishment of the ACNC is structural reform. It is about designing a regulatory framework which is suited to the not-for-profit sector and which addresses flaws in the current approach to not-for-profit regulation. The coalition's alternative charities commission is nothing more than an information and advice body, but that is not the key challenge confronting the sector in Australia. The key challenge is the need to address the deficiencies which currently exist when it comes to not-for-profit regulation—namely, the fragmented, inconsistent and uncoordinated approach to regulation of the sector.

If the coalition had their way there would be no ACNC and no regulatory reform. We would be back to the bad old days of gag clauses to silence dissent, as Senator Siewert said. We have already seen this occurring in Queensland. The National Compact would disappear. The work that has been done to develop a respectful relationship would be discounted and would disappear. Fundraising legislation would continue to be a nightmare for charities trying to raise money across borders or online. Volunteers would be subject to nonsensical cross-border rules that currently exist and which are part of the not-
for-profit reform agenda negotiations. The sector would continue to be underpaid, underresourced and undervalued.

These bills before us today are about getting the balance right—promoting transparency and good governance while reducing red tape and supporting the capacity of the sector organisations. I congratulate the sector for its leadership and its persistence over more than a decade, and the Assistant Treasurer David Bradbury for his attention to this important agenda. He is someone with experience and connection with the sector who understands the importance of these reforms and who has championed them in cabinet. Senator Siewert made some important points about the role of the commissioner.

I commend to everyone the work of the interim commissioner, Susan Pascoe, who has done an amazing job in driving these reforms and in dealing with the consultation that has been part of the development of these bills. Starting with the original 2001 charities bill, the draft of which was rejected so soundly under the previous government, she has brought the sector and government to the place that we are today. It has been an amazing effort and she is to be commended for her leadership of her team and for the work she has done with the ACNC task force. All of this is a big-picture vision. It is about not-for-profit reform. It is about positioning our organisations for Australia in the future.

We need to come to a definition of charity. We are still working with the Queen Elizabeth statute common law provisions. We need to consider how all of this plays out in terms of workforce planning. We know the demands that are being placed on the sector. We know the challenges. We know where the compact is taking us, and the codes of conduct and of consultation that are being developed there. We know how much work is being done to understand the sector through funding the work of organisations like the Centre for Social Impact, another big commitment from this government to understand the sector and provide some intellectual framework around it. We know the work that has been invested in the Social Investment Fund, and the kinds of models that are being developed for enterprise opportunities. We know the work that is being done by organisations on capacity building for the sector.

All of those things were in a hiatus for a decade, and all of those things now need to be invested in and supported. They come quite clearly out of the recommendations of the Productivity Commission report, which outlined, quite succinctly and quite transparently, the agenda of five key pillars for this sector that are going to sustain them into the future. It is a seminal piece of work, and I recommend that it be on everyone's bookshelf. If you really need to understand what is going on in the sector that is a really good place to start.

I place on the record my thanks to Senator Claire Moore and Senator Siewert for their work in bringing this latest round of amendments to the Senate. It reflects good consultation and the way committees work best in this place. It is about improving legislation that is in the national interest. It puts party politics out of reach and that allows people to honour the commitment we have made to the sector through the national compact that we would develop and support a thriving, robust, independent sector into the future. These things which are now part of the COAG reform agenda in health, in ageing, in community services are things that we need to invest in now for the long term. I am quite sure that these bills before the Senate today will be part of underpinning
good policy and good practice to carry us through into the 21st century.

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (13:00): I also rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012. As the title of the bill suggests, the bill seeks to establish a new statutory office, a Commonwealth-level regulator for the not-for-profit sector called the Australian charities and not-for-profits commission.

Let me be clear up front: the coalition does oppose this bill. We do so on the basis that despite the intent, the new regulator would hinder not help civil society. I want to acknowledge the previous contributor to this debate, Senator Stephens, who has a genuine interest in the not-for-profit sector and has had that interest for many years. But on this occasion I respectfully disagree with the conclusion that she has reached.

A robust civil society is a reflection of the sort of country that we are. It is built through people who choose to freely associate with organisations and causes that are important to them. Australia has a strong and diverse not-for-profit sector that thrives on community spirit and goodwill. We all know of local carer groups in the cities and towns we live in, the sporting clubs which as members of parliament we have associations with and we know that these networks, associations and clubs are sustained by people who volunteer their time and energy to causes that matter to them and to organisations that they see as important.

It is the view of the coalition that the state should be at the service of civil society to make life easier for civil society. We on this side of the chamber start with the principle that the government should do no harm to the efforts and endeavours of the not-for-profit sector. Government should be a facilitator but it should not intrude upon the operation of the not-for-profit sector. The government's proposal enshrined in this bill for a new regulatory body is what you might call a typical Labor 'reform'. The intent is fine, worthy and noble, but the reality in the text of the legislation we think would lead to an altogether different outcome.

When the new regulator was proposed, the primary objective was to reduce administrative compliance and reporting duplication for the not-for-profit sector. The intent of that was to allow these organisations to direct more of their limited resources and time to their core business. We do not believe that the bill in its current form does justice to the original objective. One of the key aims of the legislation is supposedly to reduce red tape for the not-for-profit sector. We do not think that it will do that. Also unless the states and territories agree to hand over their powers to the Commonwealth and agree to harmonise their laws, these bills would add a layer of red tape which the sector would have to meet.

Susan Pascoe, the head of the commission implementation task force, has stated that: You are only going to achieve full red-tape reduction with the involvement of the states and territories. The states and territories to date have declined to hand over any of their powers with respect to charities and not-for-profits. In fact, they are highly critical of the proposed commission. The Commonwealth have not had a terrific track record, it must be said, of negotiating with the other jurisdictions. Instead they tend to try and seek to blame and scapegoat the states at every opportunity.

The proposed commission treats Australian not-for-profits as though they are not entirely to be trusted. The legislation has a range of powers to interfere with the internal workings of an organisation which
has the potential to jeopardise the independence of civil society. The bill gives the commission the power to deregister an organisation if it is deemed to be conducting its affairs in a way that might cause harm or threaten the public trust or confidence in the not-for-profit sector. While that is a noble sentiment, it is a very strong power for a government to be able to deregister a not-for-profit. The phrase 'public trust and confidence' in the legislation is ambiguous and creates uncertainty as to the definition of that phrase. No doubt if this legislation is passed it would ultimately be the courts that would determine what the phrase means.

The bill provides the ACNC commissioner with a range of enforcement powers that go far beyond what is necessary. The commission would have the authority to issue warning notices, issue directions, enter into enforceable undertakings, apply to the courts for injunctions, suspend or remove responsible entities and appoint acting responsible entities.

These sorts of provisions are, I think, disproportionate for the potential risk that there is in the sector. We think that, when it comes to the not-for-profit sector, you should not be adopting not so much a risk minimisation policy but rather a risk management policy. Where the risk is low, government should have a light touch. We think that the powers proposed here are not commensurate with the level of risk and that they are excessive.

As I have said, the powers and penalties contained in the legislation are pretty heavy-handed. But also of concern is the commissioner's ability to remove the director of a not-for-profit. In his submission to the House of Representatives inquiry into the legislation, Mr David Gonski, of the Australian Institute of Company Directors, raised the issue that Australia may be the first country in the world to make being a director of a not-for-profit more onerous than being a director of a for-profit organisation.

In short, the legislation is a bad piece of legislation. What was supposed to create a one-stop shop for charities has created an environment that in effect undermines confidence in the not-for-profit sector. There is no agreement with the states to harmonise powers. There would be duplication of reporting requirements, and the onerous compliance obligations would have the potential to discourage community involvement and volunteers from being involved in local organisations. There are approximately 600,000 entities in Australia's not-for-profit sector. They are made up on people who give their time and their energy to many Australians who greatly need it.

The coalition have a different approach. We reject the legislation. We will not be supporting the creation of a heavy-handed regulatory body that would only add to red tape and compliance burdens for the not-for-profit sector. The government should seek to work with the sector rather than treating it as an arm of the state. I think that the level of intervention that this legislation seeks to give government the capacity exercise is a reflection of the Labor Party's philosophical approach. We should make sure that government is of service to Australia's civil society, that it should not hinder it. That is what the coalition will endeavour to achieve.

We oppose the legislation and, as my colleagues have indicated already, if we have the opportunity, we shall repeal it. As I said at the commencement of my remarks—and now that Senator Stephens is in the chamber I will repeat my remarks—I do respect Senator Stephens' interest in and contribution to the not-for-profit sector and the charitable sector over a long period of time. I listened to her contribution but, on this occasion, I
respectfully have reached a different conclusion to her.

Senator SINGH (Tasmania) (13:10): I rise today to speak to the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. There have been many reviews of the not-for-profit sector over the past 17 years, including the 2001 Report of the inquiry into the definition of charities and related organisations, the 2009 review into Australia's future tax system and the 2010 Productivity Commission report, The contribution of the not-for-profit sector. Each of these reviews has recommended the establishment of a national regulator, which would simplify regulation for the not-for-profit sector, which is why the Gillard Labor government made it an election commitment to do exactly this.

As the not-for-profit sector grows, we must help it consolidate its standing in the community. The reform of the not-for-profit sector is ambitious, and the government has undertaken extensive consultation to ensure that these bills address the issues facing not-for-profit organisations. Through both a public consultation process—to which 47 written submissions were received—and a public hearing held in Canberra in September, organisations such as the Smith Family, the Salvation Army, World Vision, Mission Australia, the Fundraising Institute of Australia and the Institute of Chartered Accountants Australia, to name a few, have contributed their views on the proposed reform of the sector.

From the beginning, effective and close consultation with the not-for-profit sector has been of vital importance to the Gillard Labor government. Issues raised during the public consultation period and through the committee hearing have been considered and the bills revised to ensure that they deliver the most effective outcome in light of the feedback that has been received. The sector has made it clear they want an independent regulator which can focus entirely on their needs, which is what these bills in fact deliver.

Australia's not-for-profit sector is very much diverse. It is made up of charities, charitable trusts, churches, religious groups, sporting organisations and clubs, advocacy groups, community organisations, cooperatives, trade unions, trade and professional organisations, chambers of commerce, welfare organisations and service providers. It is incredibly diverse. The sector currently consists of some 600,000 organisations, of which nearly 60,000 are economically significant, in that they employ roughly eight per cent of the nation's total workforce—some 890,000 people—and they contribute $43 billion to the nation's gross domestic product. The remaining 440,000 organisations are small, unincorporated organisations which have been traditionally exempt from reporting obligations. They do not have an ABN, and cannot be endorsed as charities or receive deductible gift recipient status. They can, however, self-assess income tax exemptions.

The not-for-profit sector performs a valuable role in our society as it very much endeavours to provide services that meet the needs and betterment of the Australian community. It is for these reasons that the government provides assistance to such organisations, both directly through the funding of programs and services as well as through tax exemptions and concessions. In seeing the immense value of the sector, everyday Australians also lend their support by volunteering their time and through financial and in-kind donations.
In the 2006-07 financial year, donations of more than $7.2 billion were made to the sector, and over 4.6 million Australians donated their valuable time. Increasingly, not-for-profits and their donors are influencing where community and government resources are directed. Regulation of the not-for-profit sector has traditionally fallen to the Australian Taxation Office. The ATO has been responsible for determining charitable status and for determining whether not-for-profit organisations are eligible for tax exemptions and concessions such as fringe benefits tax, deductible gift recipient status, refundable franking credits and goods and services tax concessions. This can potentially be seen as conflict of interest, as the ATO is ultimately responsible for revenue raising while also being charged with making decisions on whether not-for-profit organisations should be granted charitable status.

Regulation of not-for-profit organisations limited by guarantee has fallen to the Australian Securities and Investments Commission. Some not-for-profit organisations can also receive state or territory tax concessions or exemptions and therefore need to be registered with their own state or territory government. This means that, depending on their status and location, not-for-profit organisations have found themselves subject to a number of reporting requirements at both Commonwealth and state or territory level. Many of the reporting requirements have been designed with for-profit organisations in mind and are therefore unsuited to the not-for-profit sector, as they quickly become both time consuming and costly.

This is why the Gillard Labor government has committed to reforming the NFP sector. We want to ensure this sector is transparent and accountable while also ensuring that resources are directed to the most valuable outcomes rather than being swallowed up by excessive regulatory requirements. The Australian Charities and Not-for-profits Commission Bill 2012 will: establish the Australian Charities and Not-for-profit Commission, charge the Australian Charities and Not-for-profit Commission with registering not-for-profit entities and maintaining a register, provide powers for the commissioner in relation to the regulation of registered entities, establish a single national regulatory framework for not-for-profit entities, and set out the obligations and duties of registered entities.

The Australian Charities and Not-for-profits Commission will be a one-stop-shop regulator for the not-for-profit sector—something that the not-for-profit sector have been asking for and have been wanting for some time, to clear out the hodgepodge nature in which not-for-profits have been able to become regulated and receive those levels of status and recognition that they deserve and should have access to in a timely fashion. I note Senator Fifield’s earlier comments, and I also note the opposition’s position to not vote for this bill. In doing so, the opposition is not supporting the not-for-profit sector, because this bill very much reflects what the not-for-profit sector have been calling for. I noticed that Senator Fifield talked about the fact of this regulatory environment and his opposition to the new regulatory environment which will be created through this new commission. But already we have South Australia agreeing to align its own regulatory environment with the new commission that is being created. I congratulate the South Australian government for having the foresight to do so and I hope that other states follow suit fairly soon. Again, that shows that states also want to have a simplified, one-stop-shop process to this issue of regulating the not-for-profit sector. Senator Fifield fails to understand—
or at least omitted, in his contribution in the debate on this bill—the fact that South Australia is already agreeing to align its regulatory environment with the new commission.

The new commission will act as an independent statutory agency, separate from the ATO. It comprises a commissioner, an advisory board and officers who are engaged under the Public Service Act 1999. The commission will report through the Treasurer to the parliament each year and will be held accountable for its work in delivering reductions in the regulatory burden. While registration is voluntary, it will be a prerequisite for those charities wishing to access certain Commonwealth tax concessions. The commissioner will be required to maintain the register and will be able to revoke the registration of those not-for-profits who, after being given written notice and the opportunity to contest, fail to meet the necessary conditions.

The Australian Charities and Not-for-profits Commission provides a framework for record keeping and reporting, requiring all entities to keep records which correctly record and explain the financial position and performance of each entity. In order to gain and maintain registration, not-for-profit organisations will be required to meet governance and external conduct standards set out in the regulations, keep financial and written records and, in the case of small not-for-profit organisations, provide information statements. In the case of large and medium organisations, they will be required to provide financial reports, audits or review reports, and of course they must notify the commissioner of relevant changes in circumstances.

While all registered not-for-profit organisations will be required to provide an annual information statement, the Gillard Labor government recognises that a one-size-fits all approach is not appropriate. That is why entities with revenue less than $250,000 will not have to provide financial reports. Entities with revenue between $250,000 and $1 million will be required to provide financial reports which will be reviewed, and large entities with revenue of $1 million or more will be required to provide audited financial reports.

The key purpose of these bills is to reduce the red tape requirements associated with running a not-for-profit organisation and enable those valuable organisations to focus on their true purpose, on their mission, on their values, and on the objectives that define what that community organisation is supposed to be doing and what it is all about. The evidence has long shown that regulatory reform of the not-for-profit sector is necessary and there is agreement that the establishment of a national regulatory authority and a national regulatory framework is an essential component of such reform.

I have long been involved with the not-for-profit sector—through my work in the past, as Director of the Working Women's Centre in Tasmania and, more recently, as a founding CEO of the Asbestos Free Tasmania Foundation, both not-for-profit community organisations, as well as being on committees and boards, having involvement in various other community organisations and seeing the work that they do. They often run on the smell of an oily rag. They have limited funding, staff, time and resources. They need to direct all of those resources as much as possible into their mission, into the values and objectives that define what that organisation is all about. For most, that is through supporting people at the grassroots level. They are not into overly burdensome regulatory reporting and all the red tape that has gone with seeking
deductible-gift-recipient status through the ATO, which for some has taken many months, if not years, to finally receive, because it is such a cumbersome and difficult process.

Unless some of those not-for-profit organisations have accountants or people with a legal background or the necessary skills and expertise on their boards or on their committees, they simply find it very cumbersome and difficult to meet the necessary ATO requirements for them to receive that status, even though their mission statement and their objectives often fit very much in line with being able to receive that status. That is why these bills are so important to that sector. The bills very much allow them to ensure that the mainstay of their work and their workforce is focused on the things that matter, and that is delivering on their objectives, delivering on supporting people in our community, delivering on their lobbying, delivering on supporting workers, and whatever else that organisation may represent. I can see considerable benefits through this new regulatory body.

Of course, as we heard from Senator Fifield, unfortunately those opposite do not share the view of the government or the sector. By opposing the establishment of the commission, the coalition is very much ignoring the views of those who would be affected by these bills, they are ignoring the views of the thousands of workers in the not-for-profit sector and they are ignoring the evidence base, preferring instead to ground their policies in the negativity which we continue hear. As Senator Fifield shared with us, if, lo and behold, they do ever get into government, it is another example of good policy, good legislation, which they intend to repeal.

What I want the not-for-profit sector to hear loud and clear today is that an Abbott-led government would repeal this legislation. An Abbott-led government would ensure that the status quo of the burden of trying to apply for deductible-gift-recipient status, for example, would remain and this new regulatory regime, this new body, this new commission, would no longer exist. Organisations would no longer have a one-stop shop available to them to be able to ensure that they are being listened to and responded to in a timely fashion. They would no longer have their workforce able to focus on the things that matter, their objectives, because they would instead be going back to the dark ages, like other positions of the opposition, such as climate change and the like. They would be going back to the dark ages of a very cumbersome and awkward regulatory method for ensuring that an organisation is able to gain the necessary charitable status that they should be able to gain in a more timely fashion. That is incredibly disappointing.

One strong message that needs to be heard today as we debate these bills and as we vote on these bills is the fact that the Abbott opposition is not supporting these bills and, in doing so, is not supporting the not-for-profit sector in Australia. As I said, the sector currently consists of some 600,000 organisations across this country, of which nearly 60,000 are economically significant to this country, and they employ some eight per cent of our nation's total workforce. That works out to be nearly 900,000 people across this country who are contributing some $43 billion to the nation's gross domestic product. They are the workers, the charitable organisations and the community organisations that I listed earlier, and the opposition is not supporting them. Let's make it very clear: we know that the opposition supports the profit-raising of the biggest miners in this country, but, when it comes to the 900,000 community workers in
this country, it decides to not support them at all and stays in the position of going back to the dark ages. Why? Because it is a sector that the opposition simply does not care about. The community sector does not even warrant any kind of presence on the opposition's agenda. It shows absolute disrespect for the community sector. With his lack of support for these bills, Senator Fifield should be ashamed to be in this place and not supporting the community sector. The Gillard Labor government very much believes in a strong, innovative and independent community sector. That is why we have brought these bills to the Senate—they deliver that aim. I commend the bills to the Senate.

Senator MASON (Queensland) (13:30): This is an important debate about a very important aspect of Australian civil society—the voluntary sector. It contributes so much in addition to, or perhaps even instead of, government in so many different areas in dealing with the challenges of health, education and underprivilege. Indeed, it often does a better job than government.

As we debate these bills and argue about the levels of regulation and compliance in the charities and not-for-profits sector, and the best ways to balance accountability and, of course, flexibility, one issue remains largely unaddressed, and it has not really been addressed in the debate thus far today. It is a problem that has been with us for some years now, and I remember raising it in this chamber some eight years ago, but little has changed since then. If anything, the problem is even more pronounced today. It is simply this: increasingly, some charities are moving into political advocacy, not just in addition to their other work but, in many cases, almost as their sole work. We live in a democracy and everyone is entitled to voice their opinions, advocate for certain positions and lobby for any outcomes they desire. That is all fine; none of us would object to that. This right applies to individuals as well as groups of people, businesses and, indeed, charities and not-for-profits—of course it does. But the right to free political expression does not entail an ancillary right to have that free political expression subsidised by the taxpayers. That is the issue. This, however, is what some charities now expect.

Charities and not-for-profits enjoy numerous tax benefits. As you know, Mr Acting Deputy President, they are exempted from income tax, they can get refunds on imputation credits, they can reduce their fringe benefits tax and they can obtain all sorts of various GST concessions. They are entitled to all that. Last but not least, the gifts and donations they receive from the public tend to be tax deductible. They are all benefits the charities and not-for-profits receive. This has been a longstanding practice which recognises the public benefit—the public good—that derives from the work of charities, which we all accept. In return for these benefits, we as a society and a government agree that we should make life and work easier for charities so they can better compete for staff with the public and private sectors as well as help them raise funds to finance their work. In a sense, that is the give and the take of what they do.

This has been a pretty straightforward proposition for hundreds of years now—indeed, since Elizabethan times—generating a strong consensus and little debate, because the public benefit from the work of charities was pretty clear. People could see it everywhere: education charities would provide education, health charities would provide medical care, social charities would care for those in need, and, more recently, environmental charities would roll up their sleeves and plant trees, clean up pollution or shelter animals. That is what they would do.
But the last few decades have seen the emergence of a new phenomenon: some charities and some not-for-profits are now simply involved in political advocacy and campaigning. No longer would community donations go to help charities do something; they would go to help charities lobby the government to do something. There is a big difference. It is a sort of philanthropy by proxy or compulsory philanthropy. It is no longer really philanthropy because when the government does something we all pay for it whether we want it or not.

This is of course always a matter of degree—I accept that. Many, if not most, charities and not-for-profits from time to time find themselves trying to influence public debate. That happens all the time and I accept that. The law has always recognised this as an entirely legitimate activity if carried in an ancillary way to the main charitable purpose. So the Salvation Army or St Vincent de Paul may talk about poverty, but their main purpose is providing for the poor. They are quite able, of course, to lobby government in certain areas and in certain sectors. There has never been a problem with that. The problem is when influencing public debate becomes a dominant, or even the sole, purpose for the charity's existence. That is when the problem emerges. For such charities, their work becomes less tangible. It is no longer underprivileged kids getting a better education or the homeless getting a roof over their heads or a koala habitat being protected and preserved—it is about affecting the direction of government policy and government spending, or even affecting those who are elected to government.

Such charities are no longer charities per se; let's face it: they are in effect not-for-profit lobbying and PR outfits, enjoying a sizeable subsidy from the taxpayers and the public purse. That is what they become. The question is: should they? If the aim is to effect policy or political change, shouldn't the charity workers join political parties, which have their own and relatively low tax deductible thresholds? Or, conversely, if political lobbying or campaigning should have tax benefits for charities, then why not for everyone else as well? If it is okay for koalas and the homeless, why isn't it okay for sugar farmers or small business men?

An even more ambiguous case than merely lobbying is campaigning at election time. This seems to be particularly common in my home state of Queensland, where charities and other groups enjoying favourable tax status, such as the Wilderness Society, have on many occasions in recent years produced and distributed election material, including how-to-vote cards, aiming to boost the Australian Greens or the Labor Party or at least diminish the coalition vote. That is what they have done with the tax benefits that they receive. This is not what a majority of people imagine charities do or should be doing. The courts and the bureaucracies, however, have been quite liberal in reinterpreting the definition of charitable purpose, as well as expanding the scope of other activities that charities can engage in without losing those particular tax benefits. We might ask, however, is it good public policy? We might want to ask ourselves that question. Should the taxpayers really be subsidising political lobbying and political campaigning? What makes charities so special that they should enjoy this privilege and benefit, which is not available to anyone else in our society except, to some extent, to political parties? Are some charities in reality merely associated entities of political parties? Are not the tax benefits granted to charities in recognition of the value of services and actual tangible support delivered to those actually in need? Should then these tax benefits be available to self-proclaimed charities which do not actually
do anything directly to help, but merely write press releases and lobby politicians? Is that appropriate? We need these sorts of questions debated, and sooner rather than later actually answered—one day soon.

As any questioning of the status quo invariably attracts a howl of indignation about the evil Liberals trying to stifle debate and silence dissent, let me repeat that the debate is not whether charities have the right to express their opinion or to lobby. Yes, they do. I make that very clear. Of course they do. The debate is whether some of them should enjoy a special tax status, not available to anyone else, if their supposedly charitable work consists mainly in expressing opinion or lobbying. That is the question.

The coalition opposes the current bill because it ends up burying civil society in red tape. I do hope, however, that future governments will find time to address the problem of politicised charities. Way back in 2004 I made a few comments and they are still relevant today. I said that the taxpayers of Australia are owed some answers regarding the activities of organisations such as the Wilderness Society. But also, just as importantly, we owe it to other charities and groups enjoying tax deductible status, who quietly go about their work of helping others without involving themselves in the rough and tumble of politics, to ensure that charities, which as a general rule do so much good in our society, are not tarnished in the public's eye by the misdeeds of a few political wolves in charity sheep's clothing. If the coalition wins the next election, I do hope we address this issue, which gnaws at the credibility and public acceptance of the status and benefits which we bestow very willingly on our charities.

**Senator CAROL BROWN** (Tasmania—Deputy Government Whip in the Senate)
The not-for-profit sector is made up of a wide range of organisations which range from small sports clubs right up to multinational charitable organisations. Due to the important role all these different charitable entities play in Australian society, the not-for-profit sector receives a wide range of support, including funding, donations from members of the public and tax concessions, grants and other support from local, state and federal governments. So the government wants to ensure that there is a strong regulatory system that helps deliver good governance, accountability and transparency in the not-for-profit sector.

Which brings us to the government's introduction of the Australian Charities and Not-for-profits Commission Bill 2012, which delivers on the outcomes raised by the reviews I mentioned earlier by establishing a national regulator and a national regulatory framework for the not-for-profit sector. The Assistant Treasurer, David Bradbury, is on record outlining the aims of the ACNC bills. There are three objectives. The first is to maintain, protect and enhance public trust and confidence in the not-for-profit sector. The second objective is to support and sustain a robust, vibrant, independent and innovative not-for-profit sector. The third objective underlines the important role that the ACNC will have to promote the reduction of unnecessary regulatory obligations on the not-for-profit sector.

A number of features of the Australian Charities and Not-for-profits Commission Bill 2012 will establish the Australian Charities and Not-for-profits Commission which, as I have said, is the ACNC; it will give authority for the ACNC to register not-for-profit entities; and it will maintain a register of these organisations. It will provide the powers for the commissioner in relation to the regulation of these registered entities. It also sets out the obligations and duties of these registered entities.

I will just take a moment to examine in a little more detail some of these aspects of the bill. From the beginning of the bill, only tax endorsed charities will be regulated by the Australian Charities and Not-for-profits Commission; however, the bill establishes a regulatory framework to ensure that it can be extended to all not-for-profit entities in the future.

To register with the ACNC, and maintain registration, charities will apply directly to the commission and operate consistently with the definition of a charity, whilst also complying with prescribed registration conditions and requirements. The ACNC will also have the role to work with the not-for-profit sector to help provide education and guidance on their participation in the national regulatory framework.

The bill will establish an online, publically-available information register containing the details of the charities registered with the ACNC which, of course, is a very important reform. This register will be able to be accessed easily by the public to ensure that donors and volunteers will be able to rely on the information provided to help them make decisions as to whether to volunteer or donate to a registered charity. I know that is something that will ensure that life is much easier for those who are operating in this sector; there will be a one-stop shop so people will be able to access information about their organisation publicly and make an informed decision.

The bill will create the Office of the Commissioner of the ACNC. The commissioner will have the role to maintain general administration of the ACNC legislation and will have the power to register not-for-profit entities, and the legislation will provide the commissioner...
with the processes and grounds for revocation of the registration of a charitable organisational. Through this legislation the ACNC will also be required to report annually to parliament on its progress on red tape reduction. That is one of the issues that was raised by many of the submissions to the Senate Community Affairs Legislation Committee inquiry into this piece of legislation—the need for a reduction of red tape. The fact is that through this legislation, the commissioner, through the office of the commissioner will have to report its progress on reducing red tape for the not-for-profit sector.

The Senate Community Affairs Legislation Committee held an inquiry into this bill, and arising from the report the government has made a number of amendments to the bill. At our hearing, and through submissions, the committee heard that many in the sector wanted the government to ensure that this bill did not restrict the independence of charitable organisations. As outlined in the Community Affairs Legislation Committee report:

The committee believes the fostering of an independent not-for-profit sector is essential, and supports this as an object of the Bill. Gag clauses are an objectionable feature of contracts with not-for-profit entities. They are particularly inappropriate in those contexts where a monopsony exists: where the government offering the contract is the only purchaser of services. The committee believes such clauses should not be introduced.

I am pleased to say that through ongoing consultations the government has been conducting with the not-for-profit-sector, and after receiving the Senate Community Affairs Legislation Committee report, the government has made amendments to this bill to ensure the independence of the not-for-profit-sector.

The government has also announced that the legislation will be reviewed after five years to ensure that the ACNC is operating as expected and to see how the objects of the bill have been achieved—in particular the elements designed to reduce the unnecessary regulation on the not-for-profit sector. As I have said previously, this is a very important aspect for the not-for-profit sector.

The federal government will also be negotiating with the states and territories on national regulation for the not-for-profit sector because we recognise that the greatest reduction in red tape for the sector can only be achieved with national coordination. On 17 October 2012 the government announced further changes to the Australian Charities and Not-for-profits Commission that will see further reductions in red tape for the not-for-profit sector after the changes to grant guidelines. The government will be amending the Commonwealth Grant Guidelines to support the implementation of a 'report once, use often' reporting framework for the not-for-profit sector—again, another important measure. Once established, the ACNC will help reduce the regulatory burden, which can be quite onerous, imposed on the not-for-profit sector. The introduction of the 'report once, use often' reporting framework will essentially mean that Australian charities will not have to provide the same information repeatedly to the government. This is an important step to help reduce the regulatory burden on the sector and allows them to get on with the job of helping those who are most vulnerable in our community. If we can put in place measures that deliver good accountability, transparency and oversight of the not-for-profit sector whilst also reducing the regulatory compliance of charitable organisations, allowing them to improve the effectiveness of the services
they deliver, then this can only be a good thing for the sector.

In closing, I am pleased that the government is enacting a commitment made at the last federal election and then built upon in the 2011-12 budget to simplify the regulatory burden of the not-for-profit sector by introducing a one-stop shop. The Australian Charities and Not-for-profits Commission has been a long time coming. The need for this commission has been long identified through a number of reports over the past 17 years, so this bill, I believe, is a step in the right direction.

I also think it is important that we acknowledge Senator Ursula Stephens's role and the huge amount of work she has done in this area. I would also like to acknowledge the Assistant Treasurer, David Bradbury, who, through consultation with the sector and after receiving the Senate Community Affairs Committee report into this legislation, has made a number of amendments. These amendments address a number of concerns raised by the sector and the Community Affairs Committee, and ultimately help strengthen the bill. This bill will go a long way to supporting the not-for-profit sector now and ensuring that it is sustainable into the future and I commend the bills to the chamber.

Senator BOYCE (Queensland) (13:55): The coalition will be opposing these two bills, the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. When the legislation was first mooted, I went looking for the examples of charity fraud that would require legislation of this depth and breadth. Where were the cases involving billions of dollars being scammed and defrauded out of charities? Where were the cases of the boards and governance in charity groups deliberately siphoning off funds to terrorist organisations or to tax havens? There must be of course billions of dollars going into this area in the same way as we have seen fraud and poor governance in organisations like Trio Capital, Storm Financial and dozens of others that have required the strengthening of our governance rules with regards to corporations and investment funds. So there must be millions of dollars being scammed off all over the place in terms of charities or there would be no need for legislation of this magnitude and at this cost.

Of course there is not. There is the odd case of a problem gambler who has defrauded the organisation they work for. There certainly have been some interesting investigations undertaken by ASIO and others into how some groups are functioning. But we do not have an endemic problem within the functioning and the governance of their charity organisations.

Once again we have the ridiculous situation of this government announcing its reform, which will involve all the states and territories agreeing to hand over their power of course, and then telling us after the bills have passed that that is when they will go and check if the states and territories think they would like to hand over the legislation. Many, many small charities are more than ably governed by the current state and territory bodies and should remain so, except for the empire-building delusions of the government.

For example, let us look at one of the proposed amendments to this bill being put by Senator Xenophon. The bill of course is called the Australian Charities and Not-for-profits Commission Bill and it will set up an Australian Charities and Not-for-profits Commission. Yet one of the amendments
being proposed is that we actually come up with a definition of charities. Wouldn't that be nice? No, no, let us set up the Australian Charities and Not-for-profits Commission and then decide what the definition of charities is and what the definition of not-for-profit is, and then we will go and ask the states and territories whether they agree to it. We will do all of that later, having invested millions of dollars in the establishment of the commission and in getting staff involved in the commission. It is another complete bungle of empire building by this government, which will achieve nothing except extra red tape and extra cost. We are not in any way persuaded by the government's argument that this is true reform. It is not. Certainly there is nothing to suggest that what this government is proposing to do will improve in any way the governance of charities in Australia. As I said, there is no overwhelming evidence to suggest that there is overall poor governance in this sector. Certainly, there are lots of volunteers doing their very best, and there may be some ignorance of governance, but in no way is it dishonest, fraudulent behaviour.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Budget

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:00): My question is to the Minister for Finance and Deregulation, Senator Wong. Will the Minister give the Senate a guarantee that the government will deliver a budget surplus in 2012-13 as promised?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:00): I welcome a question from Senator Brandis on the economy. As the Senate would know, the government has just delivered a midyear budget update in which we took quite many billions of dollars worth of savings to return the budget to surplus. Of course we stand by that forecast, and we are on track to deliver it. The fact that we took the sorts of savings that we did at this time, at a time when we saw some $22 billion written down in terms of revenue to government—something which those opposite may not understand; that we are a lower taxing government than the Howard government—

Senator Abetz: Because you're borrowing, that's why.

Senator WONG: and we took $16.4 billion—Senator Abetz says it is because we are borrowing. It is because less tax is being generated, senator. It is because less tax is being paid to the government. If you would like to look at the tax-to-GDP ratio, it is 23.7 per cent for your government and just over 22 per cent for our government in this year. What is occurring is that for various reasons—including the thing they keep forgetting, which is the worst global downturn since the Great Depression—we are seeing less tax being paid to the federal government under this government than we saw under the Howard government. In fact, in these circumstances the government took some $16.4 billion worth of savings in the MYEFO. That adds to more than $130 billion of savings over five budgets. That level of savings demonstrates the commitment that this government has to fiscal discipline at a time when we see a softening in the global economy, something that those opposite might like to simply brush over.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:02): Mr President, I ask a supplementary question. I remind the Minister of the Prime Minister's commitment
on 10 May 2011 to a budget surplus in 2012-13, ‘on time as promised to the Australian people at the last election’. Minister, why is what was then a promise now merely, as the Minister has said, a forecast? Like the carbon tax, like the private health insurance rebate, like poker machine reforms, will this be just another promise to the Australian people which this government intends to dishonour?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:03): I can absolutely guarantee that this government will always run the right fiscal policy for the economic circumstances to support the economy and jobs. We are a Labor government that has steered this economy through the global financial crisis and Australians should be very proud of what we have all achieved, not just the government but workers and businesses and managers who have helped steer this economy through the global financial crisis to get to the position we are in today. So, we will always ensure that our fiscal settings are appropriate for the Australian economy and jobs. An economy at or around trend growth coming back to surplus is the appropriate fiscal setting, which is why the government has handed down a MYEFO, a budget update, with billions of dollars worth of savings that has us on track to return to surplus. That is the position of the government. I look forward to the opposition telling—(Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:04): Mr President, I ask a further supplementary question. I want to give the Minister one last opportunity to clarify this. Given that the Prime Minister said, and the Minister herself on previous occasions has told the chamber, that delivering a budget surplus in 2012-13 is a promise and she now says that it is merely a forecast, which is it? Is it a promise any longer or is it less than a promise?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:04): This government will always have the right fiscal settings for the economy and jobs. We will always do that. We stand in stark contrast to those opposite who we know opposed the stimulus package, who, to this day, try to brush over the global financial crisis. As I have said, we have just delivered a midyear budget update, which has billions of dollars in savings to return the budget to surplus, that demonstrates our commitment to fiscal discipline—

Senator Brandis: Mr President, on a point of order on the question of direct relevance, I did ask the Minister whether the commitment to return the budget to surplus was still a promise or merely a forecast. I ask you to invite the Minister to address the only issue I raised in my question: is it still a promise or isn’t it?

The PRESIDENT: Order! The Minister is quite in order. The Minister is answering the question and has 28 seconds remaining.

Senator WONG: Thank you, Mr President. We have just delivered a midyear budget update which returns the budget to surplus. The opposition might want to have a look at it. While we are on that subject, they might want to tell us, if they are so keen on surpluses, whether or not they will actually back off savings measures because I noticed that Mr Hockey, after likening the baby bonus changes to the one-child policy in China—an outrageous statement—is still hedging his bets as to whether or not he will support it. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT (14:06): I draw to the attention of honourable senators the presence in the chamber of a parliamentary delegation from the Kingdom of Morocco led by the
President of the Assembly of Councillors, His Excellency Dr Biadillah. On behalf of all senators, I wish you a warm welcome to Australia and, in particular, to the Senate. With the concurrence of honourable senators, I ask the President to take a seat on the floor of the Senate.

Honourable senators: Hear, hear!

Dr Mohamed Cheikh Biadillah was then seated accordingly.

QUESTIONS WITHOUT NOTICE

Asian Century

Senator THORP (Tasmania) (14:07): My question is to the Minister representing the Prime Minister and Minister for Tertiary Education, Skills, Science and Research, Senator Evans. Can the minister advise the Senate on how the Asian century white paper lays the foundation for our nation's future engagement with our region?

Opposition senators interjecting—

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:07): I am grateful for the question but disappointed that the interjectors from the opposite side seem to think that this is no longer relevant to Australia. The white paper, Australia in the Asian century, is very positive news for all Australians. It provides the foundation and the framework for future engagement in our region. It is a plan to make sure that we take advantage of the developments in Asia and it identifies national objectives across five key areas in which we must act. This is vitally important to Australia leveraging the best possible outcomes we can off the opportunities that exist. The priorities include building on our economic strength, enhancing education and skills, strengthening business ties and expanding and integrating regional markets, deepening relationships at all levels from sport to diplomacy and, finally, sustaining the security of our diverse region. The objectives outlined in the white paper are not limited to the role of government; it is a plan for the whole nation—for business, for unions, for students and for ordinary Australians.

The Prime Minister commissioned the white paper to ensure that we could make clear choices and we could plan the way forward because we know that if we get this right all Australians will benefit from more skills, more jobs and higher incomes, and businesses both large and small will have access to more markets and greater investments. A key part of this is about allowing our students to be more Asia literate, to promote understanding of Asian language and culture; it is also about building broader strengths in the years ahead so that every sector of our economy is dynamic, productive and engaged. As a nation, we must continue to respond to the complex challenges of the Asian century. If we do not, we will be left behind.

Senator THORP (Tasmania) (14:09): Mr President, I ask a supplementary question. Can the minister advise the Senate on how education is central to Australia's plan for future economic strength in the Asian century?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:09): The key to ensuring Australia has a strong economy is through having a world-class education system. We cannot compete as a low-skill, low-wage economy and we do not want to. We need an educated and innovative workforce. We want to make sure that the young of this country are open to the vast opportunities that Asia offers this country and we know that education is a key part of
that challenge. This government have a proud record of education reform. We have made it one of our priorities in government because we know its importance. Our goal in the Asian century is to lift even further our education standards both in schools and in universities. We want to make sure that all Australian students have access to top quality education but also have the best possible chance to access the opportunities of the rise of Asia through delivering a schools curriculum that emphasises access to an understanding of Asian language and culture. We need to make sure that at all levels Australians are engaged with Asia. (Time expired)

Senator THORP (Tasmania) (14:11): Mr President, I ask a further supplementary question. Can the minister advise the Senate on how we can strengthen our people to people links in the Asian region through education?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:11): One of the greatest success stories in building lifelong people to people links with Asia has been through international education—the success story of our exporting culture into Asia. For the last 25 years Australia has opened up our universities to students from the Asian region. Over the last 10 years, Australia has educated nearly two million students from Asia. We have educated a generation of Asian students who have gone back to their home countries with a deep and abiding affection for Australia. This has been largely a one-way relationship. We need to encourage more Australians and our universities to build relationships in Asia so that Australian students have an understanding of Asia and are able to build links, and understand and identify opportunities. Supporting younger Australians having firsthand experience in Asia is a key part of making our population more Asia literate and building on the opportunities available. (Time expired)

Mining

Senator CORMANN (Western Australia) (14:12): My question is to the Minister representing the Treasurer, Senator Wong—and some notice was given of this question yesterday. Given the government has significantly downgraded its mining tax revenue estimate in MYEFO and revelations that in fact none of the three big miners who negotiated Labor’s complex mining tax appear to have paid any MRRT so far, to what extent as a proportion of the overall fiscal impact is the lack of revenue from the mining tax so far due to (a) lower than expected commodity prices, (b) lower than expected production volumes, (c) a higher than expected Australian dollar, (d) state royalty credits claimed against any MRRT liability and (e) the depreciation of relevant capital costs using the market valuation method as per the Gillard government’s special mining tax deal with the three biggest miners?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:13): I think this is actually the same set of questions I was asked yesterday. As I said in answer to a question from Senator Cormann then, first, the government has written down MRRT revenue significantly as a result of the larger than expected drop in commodity prices that we have seen in the last few months. The write-down is in the order of $4.3 billion over the forward estimates. As the senator would know, there are obviously swings and roundabouts in MRRT revenue, a profit based tax, so by design it will collect more when profits are high and less when profits are low.
I think on the last occasion I did refer the senator, although I did not finish the answer, to the PRRT, which, as he would probably know, has been around for 25 years. It is also a volatile but important source of revenue. For example, in 1998-99 that resource rent tax collected half the amount that was forecast but then a couple of years later raised nearly twice the amount forecast, the point being that these profit based taxes are obviously more volatile. But I do not think anybody on that side of the chamber is suggesting that we should be abolishing the PRRT.

The answer to the question, therefore, is that the government has taken a range of factors into account, particularly the significant drop in commodity prices since the budget, and the government has revised down, given all of the circumstances, the MRRT revenue by the amount that is set out in the mid-year review.

Senator CORMANN (Western Australia) (14:15): Mr President, I ask a supplementary question. Is the minister suggesting that the whole revenue write-down for the MRRT is due to lower commodity prices? If not, have any royalty credits been claimed against any mining tax liability so far as per the government’s Minerals Resource Rent Tax heads of agreement with the big three miners?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:16): Through you, Mr President, I think yesterday I did answer a question from Senator Brandis about royalties, and I made clear that the Queensland royalty decision has been taken into account in terms of the—

Senator Cormann: Mr President, I rise on a point of order on the requirement to be directly relevant. The minister should not be trying to answer a question she was asked yesterday. The question is not about factoring in decisions by state governments to increase their royalties. The question is whether any taxpayer of the mining tax has yet claimed any royalty credits. Has any royalty credit actually been claimed against any mining tax liability? Yes or no? It is not about factoring in decisions by various state governments about actual claims being made.

The PRESIDENT: Order! The minister has been going for 16 seconds. I am listening closely to the minister’s answer. The minister is in order. The minister has 44 seconds remaining.

Senator WONG: The government does not discuss the individual tax affairs of companies—

Senator Conroy interjecting—

Senator WONG: and, as much as Senator Conroy is egging me on to break the law, I do not intend to do so, thank you very much! I am trying to assist the senator by explaining to him that the issue of royalty crediting has been considered in the MYEFO and is reflected in the bottom line.

Opposition senators interjecting—

Senator Cormann interjecting—

Senator WONG: No amount of shouting is going to change my answer, Senator. It is reflected in the write-down that I have advised you about. As I said yesterday, the Queensland decision has been included in the updated MRRT estimates.

Senator CORMANN (Western Australia) (14:17): Mr President, I ask a further supplementary question. Is there any circumstance under which the government would reconsider the merits of a tax which is costly to administer, costly to comply with and which does not appear to have raised any revenue? Is there any circumstance under which this government would scrap their
failed mining tax, or will Labor just try and make up the revenue shortfall by going back to a higher mining tax rate and a broader base?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:18): Again, I think that was perhaps a less loud rant than yesterday. I am not sure what the question was. If the question is—

Senator Brandis interjecting—

Senator WONG: George, good try! If the question is if the government is proposing any changes to the MRRT, the answer is no, and I think that has been asked and answered on many occasions. What the government has done is reflect the changes in commodity prices in particular in the updated MRRT estimates, which are also reflected in the budget bottom line and which have the budget returning to surplus this year and surpluses growing beyond in an environment where revenues have dropped by some $22 billion.

Asian Century

Senator WRIGHT (South Australia) (14:19): My question is to the Minister for Tertiary Education, Skills, Science and Research and Minister representing the Prime Minister, Senator Evans. Following my colleague Senator Milne's questions yesterday, I also have some questions relating to the Asian century white paper. As one of the first steps towards strengthening its place in the Asia-Pacific region, Australia needs to properly value and resource its public education system. Can the minister guarantee that the government will implement the Gonski review via a significant boost in funding to public schools? Exactly what is the level of this investment, and will it be set out in legislation that comes before this parliament by the end of this year?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:20): I thank Senator Wright for the question and I am happy to have a go at the answer. I point out, though, that Senator Kim Carr represents the education minister and the portfolio, but I am happy, in representing the Prime Minister, to respond probably in more general terms. I can indicate, as the government have made very clear, that we are absolutely committed to the National Plan for School Improvement arising out of the Gonski report. We are intending to legislate and introduce legislation to support that, and we are intending to make a substantial financial commitment to respond to the Gonski report's assessment that we need to invest more heavily in our schools if we are to lift the standards and opportunity across both the public and the private systems.

We are absolutely committed to responding to the Gonski report in a way that makes a real difference for Australian students and helps us to meet the objectives laid out in the Asian century white paper, which has the ambition for us to be among the top five school systems in the world. That is because we understand absolutely the need for Australia to have a highly educated and innovative workforce. That is where Australia's future is. That can only be driven off the back of a quality education system and a system that provides opportunity for all. That is what we are doing in the school system but also in my own area of tertiary education, where we have widened access so as to give everyone a chance to participate in tertiary education if they have the commitment and skills and also to make sure that we are increasingly graduating more people who can contribute to that highly
skilled and innovative workforce. (Time expired)

Senator WRIGHT (South Australia) (14:22): I thank the minister for his answer and I have a supplementary question, but I note that the minister's answer did not say when or how much, which was what I specifically asked about. To follow up the minister's contradictory comments yesterday about the government's renewed focus on Asian languages despite it ending the National Asian Languages and Studies in Schools Program last financial year, can the minister please provide details of exactly how the government will improve Asian language literacy in schools throughout Australia, particularly public schools? Will this funding be in addition to the Gonski funding?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:22): I think Senator Wright's question was phrased a little uncharitably, but as I indicated yesterday the $62 million investment for the National Asian Languages and Studies in Schools Program has continued to fund more than 450 projects across schools, universities and language organisations, and this will be continuing to fund activities into 2013. We are absolutely committed to building on that program to support the objectives in the white paper. I point out to the Senate that the white paper is clearly a long-term plan and framework for the direction of Australia. It is deliberately designed to try to build a momentum and a whole reshaping of the way Australia looks at itself and its role, to make sure we focus on the opportunities coming from the Asian century. It is not just about government; it is about a whole shift in mindset throughout Australia. Government will be bringing forward specific propositions that deliver on those objectives, but this is a white paper that was released a couple of days ago, and I think it is fair that we examine that first. (Time expired)

Mining

Senator RONALDSON (Victoria) (14:25): My question is to the Minister representing the Treasurer, Senator Wong. How much has it cost the government to develop and administer the minerals resource rent tax so far?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:25): I am not sure I have full details of that. I will pause for a moment while I flick
through my brief, but I suspect I do not have details. What I can indicate is that the government does budget for associated administration costs for all government policy, including tax measures, and they are fully accounted for in the bottom line.

I am advised that the Australian Taxation Office does not provide updates on the costs of administering individual measures, but I can provide on notice further details of ATO departmental costs.

Senator Ronaldson: Mr President, on a point of order on relevance. The question was the development and the administration of the tax. I asked whether the minister will be taking both aspects on notice.

The PRESIDENT: That is not really a point of order. I believe the minister's time had not expired, but the minister had sat down, indicating that the question had been answered.

Senator Ronaldson: I can make it part of my supplementary question.

The PRESIDENT: All right.

Senator RONALDSON (Victoria) (14:28): Will the minister also take on notice the cost of developing the MRRT? Is the minister aware of how much relevant iron ore and coal miners have had to pay for lawyers, accountants, other consultants and additional staff in order to comply with the minerals resource rent tax's related paperwork just to prove that they remain outside the scope of the MRRT and do not have to pay any mining tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:28): First, on the departmental costs, I will see what I can do, but I indicate to you that, as you will probably recall from estimates questions, it would be unusual for a department to allocate costs specifically to a measure. We could give you information about how much is appropriated to the revenue group, for example, but it would be very unusual for a department to cost against a particular policy measure. We will see what we can do.

In relation to the second question, this is something that I seem to recall Senator Cormann asking at Senate estimates. Obviously any new measure does have compliance costs involved. There are a number of simplification methods available to mining companies to work out whether they have a liability, including the simplified method that allows them to work out they are not liable using normal accounting profit. (Time expired)

Senator RONALDSON (Victoria) (14:30): Why is the government imposing all this additional red tape and compliance burdens, pushing up the cost of doing business in Australia again and reducing our international competitiveness whilst not raising any revenue? Surely even this Labor government must now concede this mining tax is a monumental failure?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:30): Again, I think this is a political statement, if I may say, rather than a question. I am happy to remind those opposite if they are concerned about red tape—

Honourable senators interjecting—

The PRESIDENT: Order! I need those at the front of the chamber to be quiet so that I can hear the answer.

Senator WONG: I would remind those opposite if they are concerned about red tape and if they are concerned about taxation measures that their policy is currently for a levy that is an increase in the company tax rate to pay for Mr Abbott's paid parental leave scheme. The question did include red tape.
Honourable senators interjecting—

Senator Ronaldson: Mr President, a point of order; I remind the minister of the question. It did not relate to any of the matters she is now talking about. I asked her whether she now concedes that this tax is a monumental failure.

The President: There is no point of order. The minister has 34 seconds remaining.

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:31): I was asked if we were concerned about red tape and, yes, we are. That is why we are progressing the seamless national economy reforms and we are implementing the deregulation objectives which were recommended to the Howard government on at least two occasions. I look forward to Senator Sinodenis’s task force who are actually committing the coalition to doing something about red tape.

Broadband

Senator Pratt (Western Australia) (14:32): My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister please advise the Senate of any recent developments with the National Broadband Network in regional Australia?

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:32): I thank the senator for her question. Regional Australia has more to gain from broadband than the CBD and metro areas—there is no question about that. The Allen Consulting Group report in 2010 showed that regional output increases by almost 50 per cent more from additional conductivity than metro areas. That is why the Gillard government is ensuring that the NBN is available to all Australians at the same wholesale price wherever they are.

Over 70 per cent of premises in regional Australia will be connected to the fibre network. That is why people like Townsville businessmen Terry Hurlock and Peter Hone of Investment Pathways told the Townsville Bulletin on 26 September what the NBN means to them:

When it came along the street, I wasn’t terribly excited. Now we are using it, I’m convinced it’s the best thing since sliced bread. It’s been a remarkable success for us.

Mr Hone went on to say:

Skype doesn’t break up and fail like it used to. It’s pretty important. We’ve got procurement links in China. I’m talking to people in America, Canada and Sweden. The NBN puts you in a better position to have an intelligent conversation.

Something you cannot have with you, Senator Heffernan. Mr Hone said NBN saved them time and money.

Regional businessmen like these understand the benefits of the NBN, unlike those in the far corner who have sold out and rolled over time and time again. The doormats of the Senate have a 100 per cent track record on this one. (Time expired)

Senator Pratt (Western Australia) (14:34): Mr President, I have a supplementary question. Can the minister please provide further information to the Senate about how the fixed wireless service is being received?

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:34): As senators know, the Gillard government is delivering the NBN to all Australians. Fixed wireless and satellite are being used to deliver the service to those premises outside the fibre footprint. The
fixed wireless is surprising many with the quality of its service. A resident of Somerton, near Tamworth, Mr Lindsay Doyle told the *Northern Daily Leader* on 18 October that he had been opposed to the NBN fixed wireless service. Here is what he said:

Initially I thought it was a wicked waste of money and I just didn't understand it. Now that I've got on it, it's just made my life so much easier. I for one wasn't aware of its capabilities.

The Gillard government is delivering on its commitment. Senator Williams, sitting over there, ran around Somerton and Tamworth trying to oppose putting these powers up. *(Time expired)*

*Honourable senators interjecting—*

**Senator PRATT** (Western Australia) *(14:35)*: Mr President, I have a second supplementary question. Can the minister further advise whether the competitive market could deliver these same services to regional Australia?

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) *(14:36)*: The competitive market has not delivered the broadband infrastructure this country needs in the 21st century—not in metropolitan Australia and not in regional Australia. It has especially failed in regional Australia. Unfortunately though that is not the view of those opposite. Yesterday the Leader of the Opposition wrote in the *AFR* that he will not spend money on the NBN when faster broadband can affordably be delivered more swiftly through a competitive market. We had 11½ years of the competitive market. We had 18 failed broadband plans from the competitive market. We had those opposite ensuring Australia was a broadband backwater, and that provoked even senators Nash and Joyce to write about why we should have fibre to our homes. *(Time expired)*

**Mining**

**Senator SMITH** (Western Australia) *(14:37)*: My question is to the Minister representing the Treasurer, Senator Wong. How much depreciation of relevant capital assets have miners claimed so far against any mining tax liability using the market valuation method as allowed for by the Gillard government's special mining tax deal with the biggest three miners?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) *(14:37)*: I will answer the question in the same way that I have answered the questions from Senator Cormann. First, I do not discuss and the government does not discuss the individual tax affairs of companies. Second, the government has made assumptions about commodity prices and other parameters and has taken account of royalty decisions as I previously described, and those considerations have led to the write-down in MRRT revenue which I have previously outlined here, whereby we anticipate collecting some $9 billion over the forward estimates—a significant write-down of $4.3 billion over the forward estimates.

As senators would know, with each budget update, the government does update its figures and takes into account movements in key economic parameters, including things such as commodity prices, and of course makes assumptions about how taxpayers will deal with particular taxes. This is an inherent part, for example, of forecasting capital gains tax, income tax and so forth. The MRRT is no different. Those factors have been taken into account. I would again refer the opposition to the figures in the MYEFO whereby there has been an
adjustment to the MRRT revenue take of some $4.3 billion over the forward estimates.

Senator SMITH (Western Australia) (14:39): Mr President, I ask a supplementary question. Collectively across the mining industry, how much more depreciation of capital are miners able to claim against future mining tax liabilities?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:39): In terms of some of these questions—and that was a collective question, I think, not an individual one—I suspect the answer would be that we will not have this information until mining companies lodge a return at the end of the income year.

Senator SMITH (Western Australia) (14:40): Mr President, my further supplementary question is: why should anyone trust anything this government has to say about the mining tax revenue moving forward when the government is unable or unwilling to answer basic questions like these? What is the government trying to hide? We know it certainly is no any revenue from the mining tax.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:41): Isn't the question: why should anyone believe this opposition when it comes to fiscal discipline and when it comes to economic credibility? Those opposite have never once got their costings right—never in the election campaign and never since. This opposition, should they win government, are going to inflict $17 billion worth of cuts on the Australian people—and they want to hide it. They do not want to be upfront with the Australian people about the cuts to health and education that they have planned. Those opposite have a shadow Treasurer who claims that three per cent trend growth is flatlining! You are an absolute joke when it comes to the economy—an absolute joke! Come in here and tell us what your savings measures are and we will have a debate about whose budget bottom line has credibility.

Health

Senator DI NATALE (Victoria) (14:42): My question is to the Minister representing the Minister for Health, Senator Ludwig. The Four Corners program last night broadcast what those of us with a health background have known for some years, and that is that the threat to global health posed by superbugs and antibiotic resistance is a severe and urgent threat. In a few short years, minor infections and routine surgery could become life-threatening conditions. What is the government doing to prepare Australia for the worsening problem of resistance and to safeguard the future health of Australians?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:43): I thank Senator Di Natale for his continued interest in antimicrobial resistance—commonly known as AMR—and drug resistant tuberculosis in Australia. The government is concerned about the emergence of organisms that are resistant to antibiotics and the implications they may have for healthcare delivery in the future.
The importance of the effective and sensible use of antibiotics was highlighted in the ABC Four Corners program, as mentioned by Senator Di Natale. The government is pursuing this goal through our investment in the National Prescribing Service, which provides independent advice on the quality and use of antibiotics. The Australian Commission on Safety and Quality in Healthcare have taken the lead on this issue since 2006. The recent establishment of the Antimicrobial Resistance Subcommittee is a welcome partnership between experts and government and, as I understand it, the Minister for Health will be meeting with them on Wednesday to discuss this important issue. It is a matter that is certainly on the agenda for the health minister. The government remains committed. There is further work we can do in the region as well.

It is important to recognise that antimicrobial resistance—AMR—to antibiotics does delay or prevent recovery from infection and limits antibiotic treatment options. That is why the government has taken these necessary steps to look at this issue. Should I not raise the level of concern or alarm in the broader public, this is a matter that is and has been on the radar for some time. AMR has increased over time and it is regarded in the healthcare area—(Time expired)

Senator DI NATALE (Victoria) (14:45): Mr President, I ask a supplementary question. I thank the minister for his comprehensive answer. In 1999, the Joint Expert Technical Advisory Committee on Antibiotic Resistance, known as JETACAR, was established to make recommendations to government on the threat of antimicrobial resistance. Can the government confirm that, over a decade later, most of the recommendations have still not been implemented and there is still no systematic collection of data on antibiotic use and on the prevalence of antibiotic resistant organisms in Australia?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:45): I thank Senator Di Natale for his question. The brief does not provide an explanation over the last report that he mentioned, which was some 10 years ago, so it would predate this government. As I mentioned in my answer to the primary question, there are two bodies which are clearly working on this issue—one is the Australian Commission on Safety and Quality in Healthcare, which has taken the lead on this issue since 2006, and the other is the recently established Antimicrobial Resistance Subcommittee—and the health minister certainly has this on her radar. I will take on notice the specific points that Senator Di Natale raised within the recommendations and see if the health minister can add further to the answer I have provided today.

Senator DI NATALE (Victoria) (14:46): Mr President, I ask a further supplementary question. In June, the government-funded TB clinics on the Torres Strait islands of Boigu and Sabai were closed in favour of AusAID support to western Papua New Guinea for treatment programs. Has the government conducted any analysis of the threat to public health that the closure of these clinics represents and what it might mean for the likely incidence of drug-resistant TB in Australia?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:47): I thank Senator Di Natale for his continued interest in the issues around drug-resistant tuberculosis in Australia and particularly in PNG. The government remains committed to
working with PNG through our aid program to ensure improved healthcare delivery to PNG. National implementation of best practice care models of TB care as recommended by the World Health Organisation requires local services and community-based models that can provide continuous care. In terms of providing additional information in relation to the specific question, I will seek additional information from the Minister for Health if she can add anything to it.

I do understand that, in terms of closures of TB control centres, the Queensland government has announced that the Queensland TB control centre will remain open—(Time expired)

Union of Agricultural Work Committees

Senator ABETZ, (Tasmania—Leader of the Opposition in the Senate) (14:48): My question is to the Minister for Foreign Affairs. I refer to the coalition questioning about AusAID funding paid via World Vision to the Union of Agricultural Work Committees, an organisation which has been accused of having links with a proscribed terrorist organisation, the Popular Front for the Liberation of Palestine. In particular, I refer to the minister's insistence that the Union of Agricultural Work Committees is benign because it is registered in Israel as a not-for-profit organisation. Will the minister today abide by his undertaking to the Senate of 23 August, 68 days ago, to expeditiously say who provided this registration renewal to the government?

Senator BOB CARR, (New South Wales—Minister for Foreign Affairs) (14:49): The answer is yes. I have in my hands all the translations of the relevant documents. The documents were translated, among others, by Russell D. Mayer, a notary at Jerusalem Malcha Technology Park, who serves in the Israeli defence forces part-time.

Senator ABETZ: Who provided the renewal?

Senator BOB CARR: He has provided them. Here is his affidavit. The affidavit is detailed and I am quite happy to see it picked through in great detail. The House might wonder why the opposition keeps barking up this tree. The allegations about this body, that provides seedlings to aboriginal workers—

Senator Kroger: Can you talk to us over here? We cannot hear.

Senator BOB CARR: It is very appropriate that the interjection comes from Senator Kroger—underline the name. These allegations first surfaced from the body Shurat HaDin in February this year. They came in questions raised by Senator Kroger. She persisted: 'Shurat HaDin said this,' 'Shurat HaDin said that,' on and on.

Senator Ian Macdonald: Mr President, I rise on a point of order. Sometimes people say that you appear to lack authority. In the other chamber, someone was accused of being discourteous by turning their back to Ms Roxon, I think it was. This speaker continuously turns his back to you, Mr President, and it undermines your authority. I would ask you to direct him to address the chair and to address his remarks through you, as every other senator is required to do.

The PRESIDENT: There is absolutely no point of order. The minister has 34 seconds remaining. I do draw the minister's attention to the fact that he needs to face the microphone for the microphone to pick his voice up.

Senator BOB CARR: The questions kept coming from Senator Kroger about Shurat Hadin and its allegations. We did check the details about the two Australian
interns who, in February, started work at Shurat HaDin. It is nice that boys never forget their mum, and when they go overseas—

Senator Abetz: Mr President, I rise a point of order. There is a requirement that answers be directly relevant. Trying to drag senators' children into it is not exactly being directly relevant, let alone it being extremely untidy. But, apart from that, the question was very specific: who provided the registration renewal to the government? We have since had affidavits and a translation provided to the committee but not the answer as to who initially provided the registration renewal to the government. That is the only information that is being sought, not family histories.

The PRESIDENT: There is no point of order at this stage. I am listening closely to the answer. Minister, you have 12 seconds to address the question.

Senator BOB CARR: What were the names of the two Australian lawyers who turned up as interns at the body making these allegations? Mr J Kroger and Mr S Kroger. After their arrival, the questions started flowing. This is a cynical Victorian Liberal Party—

(Time expired)

Honourable senators interjecting—

The PRESIDENT: Order on both sides!

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:54): Mr President, I ask a supplementary question. I refer to the affidavit sworn by Khaled Hidmi, the chairman of the Jerusalem based Committee of Agricultural Works, which claims that he made clear to the Israeli authorities at the time of registration that the committee was the Union of Agricultural Work Committees' office in Jerusalem. Does the minister accept the veracity of this affidavit?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:55): Mr Hidmi originally sought to register the committee in the name Union of Agricultural Work Committees, but at the request of the Israeli authorities was asked to register it in the name the Committee of Agricultural Works. The question of translation is resolved by this. The translation we have used comes from a lawyer—a professional of 30 years, a pillar of the community and in his spare time a volunteer patrolman with the rank of master sergeant. The affidavit, made by the General Director of the UAWC, makes very clear why there was that discrepancy in names. It was at the request of the government of Israel, which has not declared this organisation a terrorist organisation, which allows it to register and operate under Israeli law. It is not proscribed by the government of Israel. That is your difficulty in this one. No matter how many postcards the boys send home to mum, that remains the fact. (Time expired)

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:56): Mr President, I ask a further supplementary question. Is the minister aware of an al-Jazeera video showing Bashir al-Khairi, UAWC chairman in 2009, calling for the conquest of pre-1967 Israeli cities at a 2005 Hamas rally—a video which identifies him as a leader of the Popular Front for the Liberation of Palestine, a proscribed terrorist organisation? Is the government satisfied that Bashir al-Khairi and the—

(Time expired)

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:57): The senator ought to take his submission to Tel Aviv or Jerusalem because his argument is with the government of Israel. The government of Israel has not proscribed this organisation. Let me just say what it does when they are seeking to deny
aid. It distributes seedlings to Palestinian organisations—that is what it does—in the Gaza. It alleviates Palestinian poverty in Gaza—that is what it does. It provides aid to families—

Senator Abetz: Mr President, I rise on a point of order going to direct relevance. The minister was asked whether he was aware of a video which directly links the chairman of UAWC with the Popular Front for the Liberation of Palestine.

The PRESIDENT: There is no point of order at this stage. I am listening closely to the minister's answer. The minister has 23 seconds remaining to address the question.

Senator BOB CARR: The UAWC also receives aid from the government of the Netherlands, the European Union, the Catholic Relief Services, Save the Children, the UN Food and Agriculture Organization and the government of Japan. Their efforts are helping over 8,000 people in Gaza get access to plants and seedlings, 300 farmers receive agricultural goods to improve crops— (Time expired)

Asian Century

Senator STERLE (Western Australia) (14:58): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Can the minister please outline to the Senate the importance of agricultural commodity exports to Asia? What opportunities are there for Australian farmers in the Asian Century?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:59): I thank Senator Sterle for his continued interest in not only the future of Australian agriculture but also, particularly, Australia in the Asian Century. Last Sunday the Prime Minister released the Australia in the Asian Century white paper—a plan to ensure that Australia is Asian-ready for the future, a plan that puts Australian agriculture front and centre for the future of the Australian economy, a plan that sets up Australia to boost exports to Australia over the next decade and beyond.

And one of the most important commodities we can export to Asia now and into the future is wheat. In 2010-11, 72 per cent of wheat exports by value went to Asia. That is around $4.6 billion worth of exports. Our top three export markets in Asia include Indonesia, Vietnam and the Republic of Korea. Indonesia in particular is our biggest and most important wheat export market. In 2010-11, $1.16 billion worth of wheat exports went to Indonesia and wheat is our number one export to Indonesia by a long way. Wheat exports to Indonesia are four times the size of the live cattle industry.

Our wheat farmers, like many other commodity farmers in Australia, will benefit from the growth in Asia, particularly the middle class. Our wheat farmers will benefit from the desire of those in the growing middle class in Asia for a reliable, high-quality, clean and green product. Our export wheat farmers from Western Australia—those farmers who export most of our wheat—would benefit if the opposition would, once and for all, decide that the market would be better deregulated than regulated under the coalition. The Gillard government is working hard in WA and with Australian wheat farmers more particularly to ensure we are developing— (Time expired)

Senator STERLE (Western Australia) (15:01): Mr President, I ask a supplementary question. Can the minister please update the Senate on other opportunities for key agricultural commodities in the Asian century? What is the government doing to expand opportunities for Australian farmers?
Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (15:01): I thank Senator Sterle for his continued interest in the future of Australian agriculture. It is true that having a vision and a plan for the future is important. The Prime Minister has done that with the road map for the Asian century. But there are practical things we can do now. In this place, we should do what we can to improve the opportunities of our farmers, including our wheat farmers, right across Australia, including those in WA.

The Gillard government is trying to finish the job started by the Howard government in 2006, supported by us, to deregulate the wheat market. For six years, the industry has been transitioning towards deregulation, now to be blocked by Mr Tony Abbott and the National Party. The leader of the Liberals appears now to be doing the bidding of the National Party. That is very sad to watch, can I say. The Gillard government want to deregulate the wheat market because we believe, like other commodities—(Time expired)

Senator STERLE (Western Australia) (15:02): Mr President, I ask a further supplementary question. Can the minister please advise the Senate of any risks to ongoing reform and support to Australian exports? What is required to ensure Australian farmers prosper from the growth of the middle class in the Asian century?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (15:02): I thank Senator Sterle for his second supplementary question. The biggest risk to Australian farmers' prosperity these days is the opposition and their out-of-puff leader, Mr Tony Abbott. We cannot get a clear position from them on anything that is important for farmers across Australia. While the government releases policy after policy to set up this country for the future, the Liberals are threatening to split in WA and South Australia. The doormats are calling the shots across Australia and the so-called coalition cannot get their rules together on foreign investment. They cannot agree on a Murray-Darling consensus plan. They cannot agree on deregulation of the wheat industry. The Leader of the Opposition knows only one thing: relentless negativity on all of those issues right across the board. It is the same tired routine being played out every time by those opposite, turning up at the same tired doorstops with the same relentless negativity. (Time expired)

Senator CHRIS EVANS: Mr President, I ask that further questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS ON NOTICE

Question No. 2,009

Senator McKENZIE (Victoria) (15:04): Mr Deputy President, pursuant to standing order 74(5), I ask the Minister representing the Attorney-General, Senator Ludwig, for an explanation as to why answers have not been provided to question on notice No. 2,009, asked on 13 August this year.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (15:04): It is usual in this place that we receive notice so that I can have time to seek an answer. I will check with my office on whether notice was given. I do not recall it being provided. On that basis, I will simply take the question on notice, seek information from the Attorney-
General and report back to the Senate accordingly.

Senator McKENZIE (Victoria) (15:05): I move:

That the Senate take note of the minister's failure to provide either an answer or an explanation.

The minister has failed to provide either an answer or an explanation, so I move this motion given that his office was called this morning and at the last sitting his office was contacted.

As the chamber is aware, Victorian communities were severely impacted by flood events in December 2011 and February, March and June of this year. For many it was and still remains a very difficult time. The process of recovery—our Queensland colleagues will agree with this—has been a long and arduous journey. For 20 of the local government areas hit by floods in my home state of Victoria, recovery and re-establishment efforts have been increasingly stressful due to inaction by this government. Despite repeated submissions from the Victorian government, who have willingly met all requests for additional information and stand ready to deliver their 50 per cent contribution surrounding category C national disaster relief recovery arrangements funding, still there has been nothing from this government. Under this particular program, primary producers and businesses impacted by severe disaster events are eligible to up to $25,000 to aid recovery. Obviously these moneys are joint funded by state and Commonwealth government. To their absolute credit, the Victorian coalition government have put their money on the table for all these affected areas.

Since the floods, four of the 20 affected Victorian local government areas—Shepparton, Indigo, Moira and Towong—have been granted category C funding approval, and I welcome that decision. Some 769 category C grants have been approved for these four shires, giving us an indication of the extent of the damage inflicted. However, businesses and farming families in Mildura, Campaspe, Benalla, Wodonga, Wangaratta, Grampians, Pyrenees, Murrindindi, Macedon Ranges, Mansfield-Latrobe, Wellington, South Gippsland, East Gippsland, Alpine—I apologise for the length but you can see the extent of the problem, Mr Deputy President—Mitchell, Strathbogie, Whittlesea, Ballarat and Greater Bendigo shires have not been granted the same help yet their need is no less. I have been advised that more than 80 primary producers around Joel Joel were affected by the December 2011 floods with an estimated damage bill of $3.7 million, 400 kilometres of fencing destroyed and 1,500 head of sheep drowned. Thirteen hundred farmers have applied for category C assistance in the Gippsland region following their flood event.

There has been a change around how the government has been dealing with these criteria which is leading to frustration. I will quote from the Deputy Premier of Victoria, who raised this again in a grievance motion last week: 'Again the standards that have been set seem to exceed those that have applied historically. We have been asked to provide more information and we provided it ad nauseam.' They have had conversations, they have had letters. I quote again from the Deputy Premier: 'I say again that we have written letters, we have had the conversations, we have supplied the information, yet either we do not have the responses available or those responses that have come from the Commonwealth simply do not meet the demonstrated needs of the people who are seeking these grants.'

Similarly, the minister's response to this question, put on notice a long time ago, reminded in the last sitting that we would be
seeking a response from the Attorney-General, but still we are left waiting. I look forward to the minister representing the Attorney-General getting behind the people of Victoria affected by this flood. I think that the only conclusion, given the minister's answer, is that regional Victoria's flood affected communities will be paying the price for the desperate attempts by this government to find that wafer-thin surplus, and it is simply not good enough.

Question agreed to.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Economy

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (15:09): I move:

That the Senate take note of the answer given by the Minister for Finance and Deregulation (Senator Wong) to a question without notice asked by Senator Brandis today relating to the Budget.

Since the 2010 election the centrepiece of this government's economic policy and fiscal policy has been to return the budget to surplus in 2012-13. That is the foundation of their economic credibility. There is no promise, there is no commitment, there is no assurance more fundamental than that reiterated again and again and again. One could be forgiven for being sceptical of that promise, given that not only has this government never produced a surplus budget but its four budgets for which we have the final budget outcome so far have consecutively produced the four greatest budget deficits in Australian history. So one might be sceptical of a government promising to produce a budget surplus when it has won the gold, silver, bronze and runner-up medals for the four worst budget deficits in Australian history. One might be sceptical of that but there can be no doubt about this: it has promised time and time again that bringing the budget back to surplus in 2012-13 was the foundation of its fiscal strategy.

I do not warrant the comprehensiveness of this research but I can tell you, Mr Deputy President, that since the beginning of 2011 we have found at least 30 separate occasions when the Prime Minister has promised that the 2012-13 budget would be brought back to surplus—at least 30 occasions. And in the same period the Treasurer, Mr Swan, so far as our research takes us, has promised on at least 15 occasions that the budget would be brought back to surplus. So, Mr Deputy President, even for a famously dishonest government you would think that no fewer than 45 separate promises in the space of 20 months would be enough to give you an indication of the government's intention.

Yesterday in the House of Representatives the shadow Treasurer, Mr Hockey, asked the Prime Minister a direct question: does the Prime Minister stand by her promise to deliver a budget surplus this year? To nobody's surprise, there was a very rapid shifting ground on the part of the Prime Minister. In the space of a column and a half recorded in *Hansard*, the Prime Minister waffled, the Prime Minister procrastinated, the Prime Minister stonewalled, but never was she prepared to reiterate what she has said more than 30 times since the beginning of last year, that the government promised to bring the budget back to surplus.

It might be that the Prime Minister was distracted by the manifold scandals surrounding her government. Maybe she was not concentrating. So we thought that today we would give her Finance Minister, Senator Penny Wong, the opportunity to set the record straight. I asked Senator Penny Wong the very same question that Mr Hockey in another place asked the Prime Minister
yesterday: does the government still promise to bring the budget back to surplus by 2012-13? But not a promise, not a forecast. So I asked her again in the first supplementary and I asked her again in the second supplementary, and on each of those three occasions it reminded me of chapter 36 of the Gospel according to St Matthew when St Peter denied Christ thrice.

On three occasions—three out of three—given the opportunity to reaffirm the promise that lies at the heart of this government's fiscal strategy, Senator Penny Wong resiled from repeating that promise. Thrice she denied it. (Time expired)

Senator MOORE (Queensland) (15:14): I am so pleased that Senator Brandis referred to the Bible in that statement because as I was listening to him pontificating about the process and reiterate the verb 'promise'—and I am sorry, I forgot to count how many times Senator Brandis said that; I will have to refer to Hansard, but I will say it was several times that Senator Brandis made that statement—I was actually thinking of Matthew. I do not often go off into the realms of biblical response, but I was thinking when he kept saying, 'How many times?' that Bible classes from school were going through my mind. How many times did they deny? It was just appropriate that in the end Senator Brandis went from his statements of promise into Matthew and talking directly from the Bible.

Senator Brandis also said that you could be cynical about statements in this place. Well, Mr Deputy President, you can be truly cynical in this place when anyone from either the opposition or the government looks across this chamber and demands a guarantee, because we well know that there is no way that anyone in this place can ever say, 'I guarantee this will happen'. What we can say, and what we have said, is that this government is committed to bring in the surplus.

If we go back and look at the process we see the fact that the government has committed to bring in a surplus in this financial year. When the Treasurer, with Senator Wong, brought down the MYEFO statements late last week that statement was made again: that this government has a commitment to bringing in a surplus in this year's budget and that we are moving in every way to respond to that commitment.

Today in her answers, Senator Wong responded to a number of questions about what was happening with MYEFO, the budget and also the mining resources tax. She talked about the efforts that the government has made. We pointed to the savings that came down in the statement last week; difficult savings identified across a range of departments. These were responding to what has happened not only to our economy but to the world economy in recent years. We pointed out the fact that from the time we drew up our original budget for 2012-13 there has been a significant reduction in income to the government.

We have actually stated what that reduction has been, through taxes raised and through the reduction in our minerals and resources areas. These were the figures on which our original budget statement was made and we then said at that stage that in maintaining our commitment to having a budget surplus this year we would have to make changes. That is why the midyear budget changes are announced. This is not something that this government has created; this is a system that has been in place in our financial system through many, many years. In terms of process: the government brings down a budget; we put forecasts in that budget about what we intend to do; in the
midyear cycle we review what has happened—we go through what has happened to income and also to expenditure; and we make changes. That is why MYEFO exists.

We did say that we needed to make changes because the of the processes that had happened. There continues to be a commitment to working with our economy to have a budget surplus in this financial year. Those statements will continue to be made, and I am looking forward to hearing Senator Brandis coming back in times to come and saying how many times different statements will be made. We will have the answers; we will come back and say what we are doing as a responsible government in looking at what is happening in the economy to ensure that we are able to make a commitment to the Australian people that we are seeking to have a budget surplus.

So in terms of what the government has done: the minister responded in detail to questions. We have put out the information about where the cuts are going to be made. The challenge now of course is that the government has put out this process and we will have to come back to this place and have the debate to see whether the opposition will support the savings measures. That will be what will happen. We will see the debate then, and again we will see how any government is able to actually work with the economy when there is resistance from the opposition at every turn.

So, returning to Matthew: we will have to study our Bible to see what happens next, and the government will continue to do the job for which it was elected. We will continue looking at the budget. (Time expired)

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (15:19): I am following on from my colleague Senator Brandis, who put his argument so well about this proposed budget surplus in the future.

It was an honour just a couple of hours ago to have a chat to former Victorian Premier, Jeff Kennett, at the front of Parliament House, in relation to the men’s sheds and the great work that he does with mental health. I said to Mr Kennett, 'I remember the days when you won government in Victoria, when the Labor Party under the Kirner-Cain government left the state broke'. There was a $60 billion debt, and Mr Kennett had to sell off electricity; $19 billion worth, and every cent used to retire debt.

At the same time, of course, the South Australian government went broke under Labor. So did the Western Australian government and the Tasmanian government. In the meantime, Canberra in those days—the late eighties and early nineties—was under the so-called careful financial watch of one Mr Paul Keating, who was borrowing around $10 billion a year. The legacy of Labor is to empty the bank account, and the amazing thing about it all was that a couple of years ago here was a government borrowing and spending and stimulating the economy while the Reserve Bank was doing what, Senator Bushby? Raising interest rates to slow the economy! That is like driving your car with your foot on the accelerator and pulling the handbrake on at the same time! We have a government borrowing money to a massive $256 billion of gross debt last Friday while the Reserve Bank is putting the brakes on the economy. How foolish is that? There would not be one economist in the world who would agree that that is good economic policy.

Following on from Senator Brandis, let me quote from Prime Minister Gillard in Hansard 11 May 2011:
As promised, we will return the budget to surplus in 2012-13.

On 11 May, again in Hansard, she said:
This budget is bringing the budget back into surplus in 2012-13—
There are some 30 quotes here from Prime Minister Gillard saying that there will be a budget surplus this year.

There is one thing you can rest assured of and that is that the election will be before mid-September next year, because in mid-September the true figures of this financial year's budget will be released. There will be no surplus. Even fudging the books, bringing $5 billion PAYG payments into this financial year will not save them. They will put on new taxes. We can go back through the luxury car tax, the alcopops tax, the cigarette tax, the flood tax, the carbon tax, the mineral resource rent tax—and it has been an absolute farce the way they have managed their budget with regards to that—there will be no budget surplus, and fudging the books will not fool the Australian people.

This is the point—the Australian people do not trust this government. They do not trust this government to manage money. They do not trust this government to spend taxpayers' money and, sadly, borrowed money, wisely. So much has been wasted in stupid stimulus programs on school buildings and pink batts and in the meantime, when we really need some money for essential programs, the debt is so great now that money has been spent. There will be no budget surplus—

Senator Fifield: Under a government I lead!

Senator WILLIAMS: and I will take the interjection from my colleague Senator Fifield. There will be no carbon tax under a government I lead!

Senator Fifield: She got her lines mixed up!

Senator WILLIAMS: There will be no budget surplus under a government I lead! I can go back through my life from leaving school at the end of 1972 in Adelaide. Every state government led by Labor and every federal government led by Labor could not manage money. Every time the coalition was elected after a state or federal government changeover, what do they have: debt, debt, and more debt!

Look at Queensland. The $70-odd billion of debt is going be $85 billion by 2015 and $100 billion before 2020. There are 4½ million people in Queensland and they wonder why Premier Campbell Newman is making cuts. He has to make cuts or let his state go down the road of Greece, Portugal or Spain. You cannot do that. Likewise in New South Wales, Barry O'Farrell inherited a mess, a $5 billion black hole and a huge debt. This government will keep wasting, they will keep borrowing, and we will never see black print at the end of a budget. That is why we will have an election before mid-September next year, to save the embarrassment of more debt.

Senator URQUHART (Tasmania) (15:25): I rise to take note of the answer from Minister Wong on the Labor government's budget management record. Before Senator Williams leaves the chamber, I remind him that before he starts talking about the Tasmanian government being in debt, he should get his facts correct. In 1989-92 the Labor government was actually paying off the debt that was left by the Liberal government in Tasmania at that time.

Economic management has been one of the highlights of this Labor government. This Labor government is getting on with the job of managing the Australian economy. Everyone in this place knows the tremendous job we did throughout the global financial crisis where Labor's fast, targeted action to
stimulate the economy has seen our economy now 10 per cent larger than before the GFC. While many advanced economies are still smaller than they were before global crisis, Australia has come out of the worst financial hit since the Great Depression with an economy that is growing at a good level. As Minister Wong said during question time today, Labor is committed to doing what is required to grow our economy and we have delivered a midyear budget update that brings the budget back to a surplus. Australia has an unemployment rate that is lower and an inflation rate that is low, and this responsible fiscal management gives the Reserve Bank room to lower interest rates, if it decides to.

And let us not forget that we have continued to move Australia forward while ridding our workplaces of that torrid industrial relations relic, Work Choices, that torrid system where more than four million workers lost basic protections. They were just gone.

Senator Brandis: Mr Deputy President, I rise on a point of order of relevance. This is about Senator Wong's answer to my question which was specifically about the budget surplus, and more specifically about whether that statement is any longer a promise. That is the only thing the question was directed to. I know that there is a reasonable latitude given in these debates but to talk about industrial relations policy of a previous government has absolutely nothing whatsoever to do with the question.

The DEPUTY PRESIDENT: Thank you, Senator Brandis.

Senator Wong: On the point of order, I would remind the good senator of the content, for example, of Senator Williams's contribution, which did traverse in lengthy detail his memory of Labor governments past and former Premier Jeff Kennett. I know that Senator Brandis has a bit of a knee-jerk reaction to points of order on relevance but I humbly suggest that it is really not apposite on this occasion.

The DEPUTY PRESIDENT: Thank you, Senator Wong. I was going to rule that Senator Urquhart is relevant in the context of the debate. Senator Urquhart you have the call.

Senator URQUHART: Obviously Work Choices is a very sore point with the opposition. A generation of workers who entered that system were vulnerable, and those young workers who were not aware of their rights, Australians who did not have experience to fall back on, were the worst affected. Labor has repealed Work Choices and brought Australia through the worst financial shock since the Great Depression with an economy that is growing. Labor is managing that economy in a much more responsible manner than those opposite did.

How do we know this? We know this because the Labor government has received a triple-A credit rating from all three rating agencies, a rating that those opposite could not achieve while in government. Under Labor, Australia sits with just six other countries in the world with top credit ratings, and doesn't that touched a nerve with those opposite! The facts show that Labor is actually the more fiscally responsible party, the better managers of the economy, insofar as job creation through the global financial crisis, the worst financial shock to the world economy since the Great Depression, and because we are actually a lower taxing government than those opposite were.

A great fact that those opposite wish they could escape is that tax as a proportion of GDP under Labor is lower than it was under the previous coalition government. Former Prime Minister Howard and his Treasurer Costello presided over what was in fact the
highest taxing government in memory. We are doing more with what we have been given than those opposite could have dreamt of doing, and we are doing it while keeping our focus on the changes needed to keep Australia competitive going forward. We put a price on carbon, the price that those opposite have almost forgotten about because it did not come with the big shock that they were so hoping it would. We are building the NBN that those opposite have opposed all the way—a network that will connect all Australians with superfast broadband, enabling more efficient provision of health and education services, as well as opening up endless opportunities for businesses. We are increasing retirement savings through superannuation reforms and boosts to the pension, whilst—

The DEPUTY PRESIDENT: Order! Senator Urquhart, whilst I ruled earlier that you were within the context of the debate, you are now straying a fair way off the mark. I will just bring you back to the substance of the debate.

Senator URQUHART: I will bring it back; I intended to do that. We have not run out of steam yet. We have comprehensive policy agendas across whole of government, with plans to make Australia a fairer and better place to grow up, work, raise a family and age well in.

Just this week, this Labor government has released its comprehensive Asian century white paper, and that is a framework for Australia to emerge stronger over the decades ahead by taking advantage of the opportunities offered by the Asian century. Australians look at this government’s forward agenda and see a group wanting to take on the tough challenges. They see a government that has repealed that industrial relations relic, Work Choices, and a government that is committed to responsible budget management and has clear plans for Australia’s future. They also see an opposition with no vision for our country’s future, and that is evident today in this debate.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (15:31): A number of years ago, the member for North Sydney, the honourable Joe Hockey, predicted that this current Labor government, the combined Rudd-Gillard government, would never deliver a surplus. Indeed, the record shows at this point that they have failed dismally in that regard. I think in the first budget they handed down they actually predicted a surplus, but when the actual figures came in that went on to be one of the four largest deficits that this country has ever seen. Indeed, the four largest deficits that this country has ever seen were in fact the first four budgets that this Labor government actually delivered. I am not talking about what they handed down on budget night. I am talking about what the actual figures showed when the final accounts for each of those financial years came in. That is despite predicting a surplus when they handed down their first budget. The current budget they handed down this year, also predicting a surplus, will also end up in deficit. Just as an interesting historical note, the four largest surpluses that were ever delivered in this country were actually delivered in the last four years of the Howard government. It makes for an interesting contrast.

Senator Moore stood up here earlier and said there is no way the government could stand up and make a promise that there would be a surplus delivered and that the best they could do was provide a commitment that they are working towards a surplus. That is actually true because it is not possible to take account of the vagaries of what might happen in international developments and even domestic
developments and how that might play out on taxes and expenditure. But this is exactly the point we are making. The Prime Minister and the Treasurer on numerous occasions—and Senator Brandis outlined some of those when he was speaking—have promised that they will deliver a surplus. That first occurred with the Treasurer, I suspect, in response to those comments that the member for North Sydney was making when he raised the likelihood that this government would never deliver a surplus. I suspect the Treasurer and the government of the day felt a political need to go out and say they would deliver one. So they nominated a date when they thought they could do it, and that was the 2012-13 year.

But the reality is that, since then, things have changed. As Senator Moore noted, circumstances do change, and it has put them in a little bit of a political tight spot because the reality of being able to deliver that surplus has got harder and harder as they have gone on. It is instructive to look at what happened in the last financial year before we transfer that on to what might happen this financial year. Two years ago, Wayne Swan predicted that the budget would run at a deficit of $12.3 billion for the 2011-12 year, which is the year that has just ended. Two years ago he said, 'We will be looking at a deficit of $12.3 billion for the 2011-12 year.' But when the budget for the 2011-12 year was released six months later, that $12.3 billion that they were predicting then had blown out to almost double that at $22.6 billion. In December of 2011, that figure had climbed from $22.6 billion to $37.1 billion in deficit. So it was $12.3 billion when he first mentioned it, it went to $22.6 billion in the budget and then it went to a $37.1 billion deficit by the time of MYEFO in December last year. The final figure in August this year was $43.7 billion. So we have gone from $12.3 billion to $22.6 billion to $37 billion to $43.7 billion over the course of about 18 months in predictions. I think that is instructive of the challenges the government is facing by having put itself in the position two years ago where it promised that it would deliver a surplus in the current financial year. The reality is that the underlying economic conditions that have led to the massive deterioration in the budget of the 2011-12 year have been at play in the figures and their forecast for the 2012-13 year. So the government has had to, as a result, perform more accounting tricks and more twists and turns than you would see at the Moscow Circus.

Just looking most recently at MYEFO, even the timing of the release of MYEFO is enough to raise eyebrows as it is the first MYEFO that has been released in the month of October where we did not have a federal election the following month. You could suspect that maybe we are going to have an election in the following month, but I think that is probably unlikely, although not completely out of the question. The only other alternative for bringing it forward and releasing MYEFO so early is that the Treasury was trying to deceive the public by reporting the figures before they became even worse. (Time expired)

Education

Senator WRIGHT (South Australia) (15:36): I move:

That the Senate take note of the answer given by the Minister for Tertiary Education, Skills, Science and Research (Senator Evans) to a question without notice asked by Senator Wright today relating to the white paper, Australia in the Asian Century and education.

The Asian century is now—we are standing in it—and we need investment and action on improving knowledge of Asian language and literacy and on Australia's school funding system now. We hear much
rhetoric and aspirational language from this government; but actions, in the end, speak louder than words. We now need to see a clear way forward—a plan—backed up by some serious funding. One of the first major steps towards strengthening our place in the Asia-Pacific region and better engaging with our Asian neighbours must be to properly value and resource our public education system. If we are truly to take our place in this Asian century, we must have a world-standard education system in which every single Australian child has the opportunity to reach their potential. We cannot afford to continue with a system which the Gonski review has shown to be too complex, lacking in coherence and essentially inequitable; a system where performance is too often dictated by advantage or disadvantage and not by inherent ability. In the Asian century, we cannot afford to squander our human potential; we must be educating our population to achieve their best. It is an investment in our future prosperity and well-being.

We know that Gonski has recommended an investment of $5 billion a year in schools—and predominantly in public schools, because public schools educate the majority of Australian students with high needs. We understand that the figure is now more likely to be closer to $6.5 billion a year; yet we still have no indication what amount the Commonwealth government is willing to pledge to get the implementation of Gonski underway and what, if any, arrangements have been entered into with the states to share the responsibility of educating Australia's children so that they can achieve their potential. We have now been waiting for a government response to the Gonski review since February this year. With only two weeks remaining in the parliamentary year, we are still in the dark about how the government will implement Gonski: the funding and the time frame. On the Asian century white paper, we now hear that the Prime Minister wants to see every Australian school student learning an Asian language. The reasoning is very good—helping to build cultural understanding and respect, enhancing our ability to communicate with our neighbours and strengthening our relationships in the Asian region. Language learning is good for individual students and for our nation; but aspiration is a poor substitute for action.

The reality belies the government's rhetoric. The fact is that the government actually cut funding for the National Asian Languages and Studies in Schools Program in the 2011 budget and has not provided any further funding since then for Asian language programs or teachers. We now have fewer year 12 students citing Indonesian then we had in 1972. We currently have about 18 per cent of students studying the four priority languages identified in the white paper, but the percentage decreases to less than six per cent by year 12. We clearly need a serious plan and serious funding if we are to reverse this trend; words are not enough. The Asia Education Foundation has estimated that, to set about achieving the laudable aims of the white paper, we need to see a minimum commitment of $100 million a year over eight years. Any funding for the ambitious scenario set out in the Asian century white paper must be on top of the significant funding that is required to achieve the Gonski recommendations just to give our school education system up to scratch.

Teaching Asian languages in schools will enable Australia to contribute to the future international community in this Asian century. Asia literacy is essential to Australia’s future economic prosperity and social cohesion. We know that it will benefit our children and our nation alike. But fine
talk does not achieve results. Cultural change in Australia will come from a shared vision about our place in Asia—but only if it is underpinned by a serious investment by the government in education and culture.

Question agreed to.

CONDOLENCES Bilney, Hon. Gordon Neil

The PRESIDENT (15:41): It is with deep regret that I inform the Senate of the death, on 28 October 2012, of the Honourable Gordon Neil Bilney, a former minister and member of the House of Representatives for the division of Kingston, South Australia, from 1983 to 1996. I call Senator Evans, the Leader of the Government in the Senate.


Leave granted.

Senator CHRIS EVANS: I move:

That the Senate records its deep regret at the death, on 28 October 2012, of the Honourable Gordon Neil Bilney, former Minister and Member for Kingston, places on record its appreciation of his long and meritorious public service, and tenders its profound sympathy to his family in their bereavement.

I served for a very short time with Gordon Neil Bilney in this parliament. He was a great Labor character, and he was much admired across the parliament. Gordon Neil Bilney was born in Renmark, South Australia, on 21 June 1939, the son of Neil and Elaine Bilney. He attended school in Adelaide at Marryatville Primary School, Prince Alfred College and Norwood High School. Gordon then studied Dentistry at the University of Adelaide and graduated in 1961.

However, a lifetime as a dentist did not appeal to Gordon, and he went back to university to study for an Arts degree, graduating with honours in 1965. He joined the Australian diplomatic service in the Department of Foreign Affairs in 1966. During his lengthy career in the service, he was posted to Jakarta, Manila, Geneva and Paris and represented Australia as a member of the Australian delegation to the United Nations General Assembly in 1972.

His diplomatic career was paused in 1973, when he joined the Prime Minister's staff as private secretary. At this time, the Prime Minister, Gough Whitlam, also held the position of Minister for Foreign Affairs. This was a reforming time for the first Whitlam government. Gordon was associated with the recognition of the People's Republic of China, the abolition of conscription and the withdrawal of Australian troops from Vietnam. When Whitlam relinquished the Foreign Affairs portfolio to the great Western Australian Senator Don Willesee, Gordon moved to Willesee's office. After the dramatic dismissal of the Whitlam Government in November 1975, Gordon returned to the Department of Foreign Affairs—to the OECD and EEC branches successively.

In 1980 he was appointed Australia's High Commissioner to Jamaica, a position he would hold until 1982. But his interest in and love of politics saw him return to the centre of Australian politics by successfully contesting the marginal Adelaide electorate of Kingston at the 1983 election, which was of course the year that Bob Hawke was elected with a very large majority. Gordon was re-elected a further four times in the seat of Kingston, holding the seat until the
Keating government left office in 1996. His greatest electoral challenge came in 1990, when the high-profile leader of the Australian Democrats, Janine Haines, chose his electorate of Kingston as part of her tilt to have Democrat representation in the lower house. Gordon survived that challenge and retained the seat.

Drawing on his vast experience in foreign affairs, he served the parliament's Joint Standing Committee on Foreign Affairs and Trade and the expanded Joint Standing Committee on Foreign Affairs, Defence and Trade from 1983 until his appointment to the ministry in 1990. He was first appointed as Minister for Defence Science and Personnel and in 1993, at a time when Australia was working for greater cooperation in our region, Prime Minister Keating appointed Gordon as the first Minister for Development Cooperation and Pacific Island Affairs.

It is probably this period in the ministry for which Gordon is best remembered, and I know he will be affectionately remembered throughout the South Pacific, where he travelled regularly and was much loved and admired. He developed a great reputation as a person and a great reputation for Australia based on his work. He remarked that his appointment as the first minister for pacific island affairs indicated the Keating government's focus on Australia's relationship with its South Pacific island neighbours. It was a new beginning in Australia's relations with its near neighbours.

Continuing the Labor tradition of activism in foreign affairs and development, Gordon was pivotal in making substantial changes to our development programs. His reforms benefited women, with a doubling of aid for women in development projects and the lifting of the freeze to family planning assistance in Australia's aid program. He was also a strong advocate for Australia's role in providing aid assistance to South Africa during their transition from apartheid to democracy in the early 1990s. He was also responsible for mobilising Australian assistance after Papua New Guinea's devastating earthquake in 1993.

Anyone who knew him knew that he was a genuine character, both in public and in private. He was a master wordsmith with a quick and devastating wit. He was never short of a smile or an anecdote or two. He was just great company.

As a proud South Australian, he shared two of that state's great passions, AFL football and South Australian red wine. Combining his love of words, humour and advocacy for a great bottle of red, Gordon achieved wide success with his fundraising campaigns. Senator Abetz may refer to this, but he assures me he did well on both sides of the parliament in selling his wine, so it must have been keenly priced and a good drop.

After the Keating government's defeat and Gordon's eventual electoral loss, Gordon was quoted as saying that the future would include some thinking about cooking and enjoying one of South Australia's 'gorgeous glasses of red'. He spent time after life in parliament fishing and playing chess, as well as still being active around the place. But after a combination of 16 years as a diplomat, 13 years as an MP and six years as a minister he probably enjoyed having the chance to be a little freer to speak his mind.

One of his notable contributions, which I think has been widely quoted in recent days, was in 1996, just after his loss at the polls, when he wrote the following letter to a local official in his former electorate:

I saw your letter today of 26 February. One of the great pleasures of private life is that I need no longer be polite to nincompoops, bigots, curmudgeons and twerps who infest local government bodies and committees such as yours.
In the particular case of your committee, the pleasure is acute. Wouldn't we all like to have written letters like that! Some people suggest senators are more likely to write them anyway, but I think it is a great reflection of the attitude of many retired politicians when presented with new freedoms. It also reflects his great sense of humour. I think from the Labor point of view people like him and John Button were great characters of the Labor Party during that period. While being effective politicians, they were also great human beings and great fun to be around.

He lived a full life and was very dedicated to his family. I am very pleased that Senator Don Farrell is going to speak, because Don knew him far better than I did and I am sure he will bring a more personal reflection. But, on behalf of the Senate, I extend our condolences to his wife, Sandy, his daughters and his extended family.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:50): The Hon. Gordon Neil Bilney represented the seat of Kingston for our political opponents in the Australian Labor Party from the election of the Hawke Labor government in 1983 to the defeat of the Keating Labor government in 1996. In many ways, arriving and departing with a Labor government, Mr Bilney was an exemplary Hawke-Keating minister. I am not one who is often given to quoting Alan Ramsey, but allow me to do so on this occasion. He described him as 'a free spirit of great style and wit'. The coalition members who knew him and who have spoken to me, and my own chief of staff, who recalls him from working in the office next door, would vouch for that description by Mr Ramsey.

There is no doubt that Mr Bilney's abiding calling was foreign affairs. He was in the Australian diplomatic service from 1966 to 1982, being stationed in Jakarta, Manila and Geneva. Previously he had served as private secretary to Prime Minister Whitlam with responsibility for foreign affairs. Prior to entering parliament he served as High Commissioner to the West Indies from 1980 to 1982. In 1993 he was made the Minister for Development Cooperation and Pacific Island Affairs—the first time a minister had been appointed to this role and a role he took to with great gusto.

Prior to entering parliament, he served as High Commissioner to the West Indies from 1980 to 1982. From 1990 to 1993, he was Minister for Defence Science and Personnel. In 1993 he was made the Minister for Development Cooperation and Pacific Island Affairs—the first time a minister had been appointed to this role, one he took to with gusto.

He has been described to me as person of ruddy complexion, a tousle-haired fellow for whom coalition members had a deep and abiding affection. He clearly had great diplomatic skills. For a start, he managed to hold the marginal South Australian seat of Kingston for 13 years until swept out by the Howard landslide in 1996. For his 13 years in parliament he was aided by assiduous fundraising with sales of his Kingston shiraz.

Even more impressively, it is the view of some of the old timers in the coalition that much of the funds raised was money out of the wallets of Liberal Party and National Party members and staffers. In the temporary parliamentary annex built into the old House of Representatives rose garden, Mr Bilney plied a strong trade in Kingston shiraz. Many members and staffers eagerly awaited the arrival of each vintage.

My staff member has described Mr Bilney as having a most endearing quality—that he was completely without cant. He spoke with a disarming honesty, directness
and joviality, which made one instantly feel one was talking to an old and trusted friend. He was always good for a yarn and always offered his views on Labor colleagues and the Labor Party, but because of his disarming manner, nobody ever took advantage of Mr Bilney's forthright expression of his views.

Many members on both sides of the parliament and former members will sadly miss Mr Bilney. Despite his Labor membership, he brought panache and warmth to this parliament. On behalf of the coalition, I extend our condolences on his passing to his partner and his two daughters.

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (15:54): I am very happy to speak in addition to Senator Evans and Senator Abetz about a man whom I would consider a friend. People have commented on his ruddiness. In fact, there is a photograph in the Australian today where you can see that ruddiness. I think it was Senator Abetz who referred to two of his favourite occupations after leaving parliament—drinking red wine and fishing. It is not quite clear from the photograph whether it was the red wine or the fishing that caused that ruddiness. Perhaps it was a combination of both. Of course, the red wine he would have been supplying to all members of the parliament would have come from that great wine area of McLaren Vale, from where some of the best reds come, particularly shiraz.

He was a fine South Australian, who sadly passed away last Sunday at the age of 73. I was disappointed to hear that. I did not even know he was sick. I would have seen him at some point during the course of this year, so it was sad to hear of his passing. He was born in Renmark on the Murray River and, like me, came from the Murray community. He was an ordinary bloke who rose to be a foreign diplomat. Of course we are aware these days of politicians who have a background in foreign affairs. He might have been considered to be an earlier version of one of those. He became a foreign diplomat, was an adviser to Gough Whitlam and a minister in the Hawke and Keating governments. He was renowned for his outspoken humour and a deep belief in ordinary people getting a decent go in life. As others have said, he was a dentist who changed careers to serve with the Australian Diplomatic Service from 1966 until 1982. He was deputy representative to the OECD and then High Commissioner to the West Indies.

In that great wave of the Hawke era of 1983, Gordon was chosen by the Labor Party in a highly contested pre-selection contest. It is not just currently that we have deeply contested pre-selection contests; they even had them back in 1983. Gordon ran in the seat now occupied by that fantastic local member Amanda Rishworth and before her David Cox, both of whom very much relied on Gordon's always sage advice about how to win that seat, which often changes with government.

I cannot quite recall the candidate who ran against him in that pre-selection but I think it was John Lewin from the Australian Workers Union—I could be wrong about that. It was a bitterly contested pre-selection and how I came to first hear of Gordon Bilney was that Gough Whitlam, who by this time was out of parliament but still a great hero of the party, rang a fellow called Murray Glastonbury. Murray was an old stager from the Electrical Trades Union, a very wise and crafty fellow. Gough rang him seeking support for Gordon Bilney. I will not pretend to copy his voice; I will leave that to somebody like John Faulkner, but it was Gough on the phone. Murray was impressed by the fact that the former Prime Minister was ringing him, saying he was supporting
this fellow Gordon Bilney. Murray said, 'I've never heard of this Gordon Bilney character. Where does he live?' Gough said, 'He lives in Kingston.' Murray said, 'I can't recall anybody by the name of Gordon Bilney who's connected with the Labor Party in the seat of Kingston.' Gough said, 'I'm not talking about Kingston in South Australia; I am talking about Kingston in Jamaica,' which of course was where Bilney was: he was a diplomat in Kingston, Jamaica, seeking preselection for this seat in South Australia. Most people considered that a pretty outrageous thing to do. Even now it could be considered an outrageous thing to do! But Gough held sway. He rang enough people, and Gordon won that preselection. He then continued to hold it, election after election, for the whole period of the Hawke-Keating government. That includes the difficult preselection where he beat the high-profile leader of the Australian Democrats, Janine Haines, in what was pretty much hand-to-hand combat through the streets of the seat of Kingston.

One of his great friends from South Australia was Chris Schacht, a fellow member of the Keating government. He records, in the *Australian* newspaper article I referred to earlier:

… he had a wonderful sense of humour; a dry sense of humour …

I think anybody who met him would know that. He would sometimes surprise you with a comment and you would think he was serious, but then you would suddenly realise he was just making fun of you.

Gordon was best known nationally for his roles as federal government Minister for Defence Science and Personnel from 1990 until 1993, and then as Minister for Development Co-operation and Pacific Island Affairs from 1993 to 1996. He was a prominent member of the political stage, but he never lost sight of the welfare of ordinary Australians. After he retired from politics, he continued to live in the seat of Kingston and continued to try and help people who he thought deserved his support. He did a range of other things in the course of his 13 years in parliament.

Having entered the parliament in 1983, he was successful in the 1984, 1987, 1990 and 1993 elections, and as I mentioned before he held off a challenge from Janine Haines. He was a man of good humour, and the former Premier of South Australia, John Bannon, has described him as a man of very high intelligence with no self-importance. Anybody who met Gordon in a pub, in an airport or at a fundraiser for Amanda Rishworth or David Cox would know that was absolutely true. He was always a straight talker.

There is a story that one of his former employees, John Bistrovic, tells about him. It was in the lead-up to the 1996 election. He arranged to set up a stall at the Noarlunga Australia Day festival; he paid his fees and made all of the necessary arrangements. On the day of the festival, just before Prime Minister Keating called the 2 March election, Gordon's stall was covered with corflutes, standard election flyers, when someone from the festival committee asked him to remove the corflutes and the other paraphernalia, claiming that they were too political. He thought this was a rather bizarre situation, considering they allowed him to set up a stall knowing of course that he was a politician. Not wanting to cause an incident, he was happy to comply with their request but unfortunately lost the election. The letter that Senator Evans referred to was in response to that particular event, so I will not go through the words again; but that is how the letter came about, as a result of that.
It is very sad to see Gordon go. He was a fine fellow and always enjoyable company. He had that great sense of humour and he always had something very sensible to impart, particularly to young politicians at the time, like me. I express my condolences to Sandy Calhoun, his wife—a hell of a nice lady—and to his children, Caroline, Sarah and Nicholas. We shall not forget his contribution to the Australian parliament.

The President: I ask honourable senators to stand in silence to signify their assent to the motion.

Question agreed to, honourable senators standing in their places.

PETITIONS

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

Hyperhidrosis

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

This Petition is submitted to the Senate in response to the recent decision by the Health Minister to fund cutaneous Botox treatment for axillary hyperhidrosis.

We would like to bring to your attention that palmar, facial, pedal and severe 'compensatory hyperhidrosis' (which paradoxically is the result of the elective surgical procedure to treat hyperhidrosis) can have an adverse and disabling effect on a person's quality of life, psychosocial well-being and overall health.

Due to its high cost, cutaneous Botox treatment can be prohibitive for these patients. For this reason we would like to petition for funding for cutaneous Botox and lonthoporesis treatments for these conditions. The current, publicly funded treatment of surgical Endoscopic Thoracic Sympathectomy (ETS) for these conditions is controversial and not supported by high level empirical evidence.

There is concern regarding safety and disclosure of side-effects of ETS procedure, as found in reviews by the Finnish Office for Health Technology Assessment - FinOHTA [1] and the Australian Safety and Efficacy Register of New Interventional Procedures - Surgical 'ASERNIP-S' [2]. We wish to argue that the Medical Benefit Scheme (MBS) listing for ETS should be immediately suspended and availability of this procedure should be urgently reviewed according to the guidelines set out by the Medical Services Advisory Committee (MSAC) stringent (20-step) evaluation process (Processes relating to the consideration by MSAC of Medical Services - From Initiation to Listing).

The level of endorsement (MBS listing) might impact on how the procedure is perceived by the public who is also exposed to medical advertising on the Internet and in the media. This can result in a skewed understanding of the nature, consequences of the surgical ETS, and the severity of the side-effects.

Clinical decision making can be tainted by bias, especially in the context of entrepreneurial medicine and elective procedures. Information provided to patients, especially in this setting can fall short of accepted standards of 'informed consent'.

The recent MBS listing for cutaneous Botox for axillary hyperhidrosis - a safe and minimally invasive treatment - sets out clear conditions - and restrictions - on its availability. There is no regulation, and no conditions are set for the availability of the irreversible neurosurgical procedure, ETS.

We trust that decisions regarding funding are based on best available evidence regarding safety, effectiveness and cost effectiveness - and in this order. Available high level evidence however cannot, and does not support the use of ETS as a safe procedure.

We request that the Senate call on the Minister for Health to:

- Remove funding for Endoscopic Thoracic Sympathectomy for Hyperhidrosis and blushing and review the availability of this procedure.
- Extend funding for safer, less invasive alternative treatments (cutaneous Botox and lonthoporesis) for people with palmar, facial, pedal and severe 'compensatory hyperhidrosis.

We look forward to your assistance in ensuring all Australians have a right to a fair medical
system, where all surgical procedures are science based, have an objective trial and high level evidence regarding safety; and alternative treatments are offered at a reasonable cost.

Yours faithfully,

The Signatories,

By Senator Kim Carr (from 10 citizens).

Petition received.

NOTICES

Presentation

Senator Crossin to move:

That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 1 November 2012, from 4.15 pm, to take evidence for the committee’s inquiry into the provisions of the Law Enforcement Integrity Legislation Amendment Bill 2012.

Senator Cash to move:

(a) condemns the contemptible act of attempted murder committed on 9 October 2012 by Taliban terrorists who boarded a school bus in the Pakistani town of Mingora, sought out 14-year-old schoolgirl Ms Malala Yousafzai by name and shot her point blank in the head and neck;

(b) applauds Ms Yousafzai’s advocacy on behalf of gender equality in Pakistan;

(c) expresses particular admiration for her public speaking debut in September 2008 when, at the tender age of 11 years, she declared in speech to the media in Peshawar, Pakistan, ‘How dare the Taliban take away my basic right to education’;

(d) notes media reports that the Taliban has openly claimed responsibility for this despicable attack on Ms Yousafzai and has threatened to try again to assassinate her at the first available opportunity; and

(e) wishes Ms Yousafzai a speedy and complete recovery from her injuries.

Senator Di Natale to move:

That the Senate—

(a) notes that:

(i) non-communicable diseases (NCDs) are responsible for 36 million of the 57 million deaths that occurred globally in 2008, comprising mainly cardio vascular disease, cancers, diabetes and chronic lung disease,

(ii) to guide the prevention of NCDs, the World Health Organization (WHO) has been consulting throughout 2011 and 2012 on a comprehensive global monitoring framework, including indicators, and a set of voluntary global targets for the prevention and control of NCDs, and

(iii) the framework will be finalised at a formal member state consultation meeting at the WHO in Geneva from 5 November to 7 November 2012, where the Australian Government will be in attendance; and

(b) calls on the Government to:

(i) support the adoption of the full set of 10 targets as specified in the WHO’s Third Discussion Paper, dated 25 July 2012, on a comprehensive global monitoring framework, including indicators, and a set of voluntary global targets for the prevention and control of NCDs,

(ii) support the target on alcohol of a 10 per cent relative reduction in overall alcohol consumption, and

(iii) inform the Senate of its position on the comprehensive global monitoring framework, including indicators, and global targets in advance of the WHO formal member states consultation meeting in November.

Senator Rhiannon to move:

That the Senate—

(a) notes that:

(i) the ‘Let’s End the Stigma’ campaign by Reproductive Choice Australia supports women in their right to choose and aims to end the stigma associated with abortion,

(ii) shame is a social emotion which has long surrounded abortion and that communities can help provide the solution to ending abortion shaming,

(iii) hundreds have already pledged to never shame women about their abortions and never be silent when others engage in abortion shaming, and

CHAMBER
(iv) a flash mob dance against abortion stigma was held in Melbourne on 30 September 2012 and a similar event is planned for Sydney on 18 November 2012;

(b) commends Reproductive Choice Australia for their campaign; and

(c) invites members of Parliament to take the ‘Let’s End the Stigma’ campaign pledge to never shame women about their abortions and to never be silent when others engage in abortion shaming.

Senator Waters to move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by the third sitting day of 2013:

The effectiveness of threatened species and ecological communities’ protection in Australia, including:

(a) management of key threats to listed species and ecological communities;

(b) development and implementation of recovery plans;

(c) management of critical habitat across all land tenures;

(d) regulatory and funding arrangements at all levels of government;

(e) timeliness and risk management within the listings processes;

(f) the historical record of state and territory governments on these matters; and

(g) any other related matter.

Senator Wright to move:

That the Senate—

(a) notes that:

(i) the United States Court of Appeals for the District of Columbia Circuit recently ruled that providing material support for terrorism was not a war crime between 1996 and 2001 and therefore could not support a conviction of Mr Salim Hamdan, and

(ii) in 2007, Australian Mr David Hicks was convicted of this now invalid charge when he submitted an Alford plea through the United States military commission system; and

(b) calls on the Government to recognise that there is doubt regarding the validity of Mr Hicks’ conviction.

COMMITTEES

Law Enforcement Committee

Meeting

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (16:06): by leave—I move:

That the Parliamentary Joint Committee on Law Enforcement be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 31 October 2012, from 12.45 pm, to take evidence for the committee's inquiry into the gathering and use of criminal intelligence.

Question agreed to.

BUSINESS

Leave of Absence

Senator McEWEN (South Australia—Government Whip in the Senate) (16:06): by leave—I move:

That leave of absence be granted to Senator Crossin for today, for personal reasons.

Question agreed to.

NOTICES

Postponement

The following item of business was postponed:

General business notice of motion no. 987 standing in the name of the Leader of the Australian Greens (Senator Milne) for today, relating to a global hydrofluorocarbons phase-out, postponed till 1 November 2012.

BUSINESS

Consideration of Legislation

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (16:07): I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following
bills, allowing them to be considered during this period of sittings:

Social and Community Services Pay Equity Special Account Bill 2012
Social and Community Services Pay Equity Special Account (Consequential Amendments) Bill 2012.

Question agreed to.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (16:07): I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Aviation Legislation Amendment (Liability and Insurance) Bill 2012
Federal Circuit Court of Australia Legislation Amendment Bill 2012
Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012
Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012.

Question agreed to.

MOTIONS

Eid al-Adha

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (16:08): At the request of Senator Lundy, I move:

That the Senate—

(a) notes that:

(i) Friday, 26 October, was the celebration of Eid al-Adha, a special day the calendar for Muslim Australians,

(ii) 26 October marked the beginning of Eid al-Adha, or the Festival of Sacrifice, commemorating Ibrahim's (Abraham) willingness to sacrifice his son to God,

(iii) Eid al-Adha is a time of peace, respect, sharing, caring and donating to those in need for Muslims and, it is particularly special for Muslim children as it involves the exchanging of gifts and getting together with family, and

(iv) this significant time coincides with the annual Hajj pilgrimage to Mecca in Saudi Arabia; and

(b) wishes all our Australian Muslim friends who are travelling to Mecca a safe trip on their way to and home from their spiritual journey.

Question agreed to.

BILLS

Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012

First Reading

Senator XENOPHON (South Australia) (16:08): I move:

That the following bill be introduced: A Bill for an Act to amend the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, and for related purposes.

Question agreed to.

Senator XENOPHON: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator XENOPHON (South Australia) (16:09): I move:

That this bill be now read a second time.

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

Leave granted.

Senator XENOPHON: I table an explanatory memorandum, and I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.

The speech read as follows—

The aim of the Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012 is to reduce the activity of money laundering in gambling venues by amending the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

In September this year, journalists Chip Le Grand and Adam Shand from The Australian revealed that a Melbourne hotel had failed to act on suspicions of money laundering through its poker machines, even though there were records showing an individual and his family were claiming winnings of up to $40,000 per week.

Anyone who knows anything about poker machines will tell you these odds are impossible.

This article was only the most recent in a long history of stories and warnings about the vulnerabilities of poker machines to money launderers.

In 2010, Vanda Carson of the Sydney Morning Herald wrote that “industry sources estimate that nearly $2 billion a year is laundered through hotel, club and casino poker machines and gambling chips. As much as 40 percent of this is laundered in New South Wales.”

Whilst that figure cannot be independently verified, it does highlight a systemic issue—the ease with which money can be laundered through poker machines.

According to the current laws, gambling venue owners are supposed to report suspicious transactions, but there is no legal obligation.

Usually, the most common way for criminals to launder money through the pokies is simply to load up the machine with a large amount of cash, play a few games and lose a small amount of money, and then cash out the remaining credits.

In New South Wales, for example, up to $10,000 can be loaded onto a machine at one time. If the amount is just under $10,000 it currently escapes the reporting requirements for AUSTRAC.

Depending on the regulations in each state, careful ‘playing’ can ensure the criminal walks out with thousands of dollars in ‘clean’ money.

A second option for criminals, usually used in combination with the first, is to wait around venues until a gambler wins a prize. Depending on the regulations, winnings over a certain amount are issued by cheque, to make sure that gamblers have a cooling-off period while the cheque processes, so they don’t gamble their winnings.

Instead, criminals approach gamblers and offer to buy the cheques off them for cash (often at a discount), which the gambler can then immediately use to play. The launderers then cash the cheques, which have been signed over by the original claimant.

This bill aims to address both avenues through various measures.

Firstly, the bill inserts a new definition of ‘gaming machine credit’ to ensure that both winnings and unplayed credits are captured by the provisions in the bill.

Secondly, the bill inserts two new paragraphs into the definition of ‘threshold transaction’. Under the Act, a threshold transaction is one that must be reported in the required form to AUSTRAC. This reporting usually includes relevant personal details and details of the transaction itself.

These two new paragraphs will mean that any payout of winnings or gaming machine credits totalling over $1,000 in a gambling venue will be a threshold transaction, and therefore reportable to AUSTRAC.

They also require the cashing of any cheque that is a payout from a gambling venue and where the cheque has been transferred to another person to be a threshold transaction.

It is important to note that the very nature of poker machines means this will not be an undue burden on venues. Poker machines rarely pay out in large amounts, and instead are generally programmed to provide smaller, interspersed wins in normal use.

Creating these two new definitions of threshold transactions will allow AUSTRAC access to information relating to large wins, and will show up particular patterns or habits that will be vital in the organisation’s crime prevention activities.
Thirdly, the bill also amends the Act so that the controller of a gaming machine venue will be considered to be providing a 'designated service' under the Act. This will mean controllers of gaming machine venues will be required to abide by the laws surrounding threshold transactions.

Lastly, the bill inserts a new subsection, which requires gaming machine venues to issue cheques for payouts of winnings or gaming machine credits over $1,000. The cheques must also indicate that they have been used for this purpose, so that they can be identified if signed over to another party. Failure to do so will result in two years’ imprisonment or a fine of 120 penalty units.

Currently, poker machines are a soft target for money launderers. The ability to load them up with large amounts of cash, as well as the often lax regulations surrounding payouts, mean that launderers can, and do, take advantage of the system. The fact that no or very little face-to-face contact with staff is required also advantages criminals in these situations.

Austrac already has regulations in place relating to some forms of gambling, including sports betting and casinos. These additional safeguards are a way to plug a loophole in the law, as well as protecting problem gamblers and venue owners.

Ultimately, poker machines cause enough harm in our communities without being a soft touch for crimes such as money laundering. This bill is an important step in reducing this risk.

Senator Xenophon: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Committees

Economics Legislation Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (16:10): At the request of the Chair of the Economics Legislation Committee, Senator Bishop, I move:

That the Economics Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 1 November 2012, from 3.30 pm.

Question agreed to.

Economics References Committee

Reporting Date

Senator McEWEN (South Australia—Government Whip in the Senate) (16:10): At the request of the Chair of the Economic References Committee, Senator Bushby, I move:

That the time for the presentation of the report of the Economics References Committee on the effects of the global financial crisis on the Australian banking sector be extended to 28 November 2012.

Question agreed to.

Finance and Public Administration Legislation Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (16:10): At the request of the Chair of the Finance and Public Administration Legislation Committee, Senator Polley, I move:

That the Finance and Public Administration Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 30 October 2012, from 6.30 pm, to take evidence for the committee's inquiry into the performance of the Department of Parliamentary Services.

Question agreed to.

Electricity Prices Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (16:10): At the request of the Chair of the Select Committee on Electricity Prices, Senator Thistlethwaite, I move:

That the Select Committee on Electricity Prices be authorised to hold a private meeting otherwise than in accordance with standing order
MOTIONS

Kangaroo Island

Senator WRIGHT (South Australia) (16:10): I move:

That the Senate—

(a) notes Bight Petroleum's referral of a proposed action under the Environment Protection and Biodiversity Conservation Act 1999 (the Act) (Reference number: 2012/9583) dated 15 October 2012, which sets out the company's intention to undertake seismic testing over a 3,000 sq km area to the west of Kangaroo Island between January and May 2013;

(b) recognises the ecological, economic and social importance of the Kangaroo Island canyons and pool, first and foremost for the Kangaroo Island community, but also for South Australia as a whole; and

(c) calls on the Minister for Sustainability, Environment, Water, Population and Communities (Mr Burke) to use his powers under the Act to reject Bight Petroleum's referral as clearly unacceptable.

The DEPUTY PRESIDENT: The question is that notice of motion No. 988 standing in the name of Senator Wright be agreed to.

The Senate divided. [16:15]

(The Deputy President—Senator Parry)

Ayes ................. 8
Noes ................. 27
Majority ............ 19

AYES

Di Natale, R
Milne, C
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Brown, CL
Miller, C
Milne, C
Siewert, R (teller)
Thorpe, CH
Thorp, LE

Question negatived.

Parenting Payments

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:17): I move:

That the Senate—

(a) notes that, in addition to the $60 a week decrease to the base rate of their income support, some single parent families who are already juggling part-time work with caring can also expect to lose up to another $30 a week in concessions from 1 January 2013 as a result of new taper rates associated with the shift from Parenting Payment Single to Newstart; and

(b) calls on the Government to:

(i) model the impact of this policy on single parents and examine whether this perversely impacts on their workforce participation,

(ii) increase the single rate of Newstart and other allowances by $50 a week, and

(iii) stop attempting to achieve a surplus at the expense of low-income families.

The DEPUTY PRESIDENT: The question is that motion be agreed to.

The Senate divided. [16:19]

(The Deputy President—Senator Parry)

Ayes ................. 8
Noes ................. 28
Majority ............ 20

AYES

Di Natale, R
Ludlam, S
Milne, C
Rhiannon, L

NOES

Back, CJ
Bilyk, CL
Brown, CL
Cash, MC

8432
Question negatived.

BUSINESS

Consideration of Legislation

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (16:20): I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Dental Benefits Amendment Bill 2012, allowing it to be considered during this period of sittings.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Gillard Government

The ACTING DEPUTY PRESIDENT (Senator Fawcett) (16:21): A letter has been received from Senator Fifield:

Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:

The systemic Government waste and incompetence exposed at Senate Estimates, including the manifest failure of signature Rudd/Gillard election initiatives.

Is the proposal supported?

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

Senator MASON (Queensland) (16:22): Senator Fifield is noted for submitting great matters of public importance for discussion in the Senate and this is a particularly good one, as I am sure you recognise, Acting Deputy President. As I have said on a few occasions over the last couple of years, there is one thing worse than the Labor Party keeping its election promises. What is that?

Senator Williams: Not keeping them.

Senator MASON: Exactly. But even if the Labor Party keep their promises, their implementation is atrocious. The Achilles heel of the Australian Labor Party is their implementation. The list of failures is as long as it is shameful. In a way, some of it is mildly amusing, and it would be amusing if it had not cost the taxpayers billions of dollars and in the case of one program it cost a few lives. If the Senate needed an illustration, it need look no further than the recent Senate estimates hearings. My area of education was front and centre as an illustration. You will recall that we first had computers in schools. You have heard me on this before, arising from Kevin 07's election promise that laptop computers would be the toolbox of the 21st century. In the end they were delivered, though they may have cost several million dollars more. Of course they are obsolete now, and the program has no more legs.

Putting that aside because I am in such a good mood, the problem was this: the schools have not been linked up to the NBN. The government made the promise that not only would this be delivered to high school students but they would be connected to the CHAMBER
NBN or to high-speed digital transmission. Do you know how many have been connected after five years of Labor government? Ten out of 2,650 schools have now been connected to the NBN. That is the record of the Labor government. That is the so-called digital revolution. The revolution has fallen asleep.

Who would be surprised at all about the pace of the rollout? The evidence at the recent estimates was that the government is signing up new customers to the NBN at the astonishing rate of five households per day. Given there are probably about 10 million households in this country, it will only take a couple of thousand years before they are all connected at that rate! I was just thinking, imagine if the Labor Party had put together the Overland Telegraph Line and it was their job to connect it up. After 150 years, they would not have reached Broken Hill! That is the sort of shambolic implementation we see from the Labor Party.

You will recall that they made another big election promise—forget computers in schools and the digital revolution, for a second. What about trade training centres? What has happened after five years? We now know that 92 per cent of schools are still waiting. This was a signature Labor promise. Half the money is spent and only eight per cent of the centres have been delivered.

If you think that is bad, far, far worse—and my friend Senator Scullion would agree with me—are the Indigenous boarding facilities. I hate to say this because I am having such a good time, but Aboriginal children in the Northern Territory aren't because five years after the election, five years after Minister Macklin made the promise, only one has actually been built. The other two that were promised have not even commenced work after five years.

I am rebuked for talking about deadlines. We do not use the word 'deadlines' anymore with the Labor Party. We are not allowed to use the word 'deadlines' because that is too male, perhaps; we cannot say that. We cannot even use the word 'timetable'. I am not allowed to use the word 'timetable' when it comes to Indigenous boarding facilities. Do you know what I have to talk about now? Aspiration—no deadlines, no timetables just aspirations. It is all aspirational targets. The fact that only one boarding school has been delivered in five years—one out of three—is a failure of aspiration, not a failure in delivery. When I was young, I remember my mother saying to me, 'The road to hell is paved with good intentions.' Today with the Labor Party, the road to hell is paved with aspiration—not paved well, I might add; the work is always over budget and behind schedule.

We are talking about education, just think about Gonski, which is central to education reform for the Labor Party and the government. You would think that after all this time there would be some funding model. What did we discover after estimates, Acting Deputy President? There is no funding model. There is no money to pay for it even if there was one, and there is no agreement with the states. Do you know what we do have, Acting Deputy President? We have an aspiration.

The Prime Minister said at her address to the National Press Club that legislation will be introduced to parliament before the end of this year. She has about seven days left in the House of Representatives for the education act to be introduced. That act will not be about a funding model. It will not be about who pays for what. Do you know what the education act is going to be all about, Acting Deputy President? It is going to be about aspiration—yet again. There will be nothing about money and who pays for what or even...
what kids learn; it will be about aspiration. It will read like some United Nations declaration. It will be a matter of principle and heartfelt intuition, and aspiration.

When looking back now over all of these years of sitting through estimates, as you and I so often have, Acting Deputy President Marshall, I still find it hard to believe that the Building the Education Revolution still keeps on giving. After all this time, 87 school halls still have not been completed—two years after the end of the program. It is the gift that keeps on giving. And we could go on. You might think I get some joy, Acting Deputy President, from this litany of failure. I get no joy, because too many billions of dollars of taxpayers' hard-earned money have been flushed down the fiscal toilet. I do not get any particular joy out of this.

The problem with the government is not that their ideas are necessarily bad. It is not that their aspirations are bad. It is that their capacity to implement them is so absolutely appalling. It is always like this: some bloke from the blue carpet down the has a brain snap, some great idea, the grander the better. It is always a grand idea, a 10-second media grab. It goes something like this: a computer for every student, a great grab; a hall for every school, another great grab; broadband for every Australian home, another great grab. But, of course, the work has not been done. No-one thinks through all of these issues. No-one costs them and no-one does feasibility studies or business cases. Figures are just plucked out of thin air, but it all sounds terribly good on the 6 pm news—that is the problem.

They have grand ideas, lovely rhetoric, but no implementation and no business case. Then they wonder, of course, why it all falls flat. If Labor had only learned from their mistakes. But, even yesterday, we had the Asian century white paper released. Again there is talk about putting five more Australian universities in the top 100. That is all very well. I love the aspiration. But that will cost, says Professor Milbourne, at least $10 billion more, and this at the same time that in MYEFO the government has cut research by $½ billion. It is all very well to talk about aspiration and rhetoric but, in the end, you have to deliver, and the great failure of this government has not been their ideas or even their policies; it has been their failure to implement them effectively.

Senator FURNER (Queensland) (16:32):
It is easy to stand here today and refute these allegations in this matter of public importance. If I can concentrate on some of the aspects that Senator Mason did, something I love talking about in this chamber is the Building the Education Revolution. I characterise it as this: new halls, libraries, science centres, undercover learning areas, performing arts buildings and kitchens, refurbished classrooms and Japanese gardens. Can you really describe—as do the opposition—those facilities, those initiatives, the advantages of them and how they will impact on our future generations of students—as waste or failure? We put $16.2 billion into that program, which is ensuring our children have the best education facilities money can buy, and those opposite are calling it waste.

I have been so privileged to be a duty senator for five duty seats—Longman, Dickson, Brisbane, Forde and Wright—and to have the opportunity to go to some of those openings—I think it is now somewhere in excess of 134—to officiate the opening of the Building the Education Revolution projects. Each school has generally built something different as a result of their desire and their consultation, generally with their parents and citizens associations—in some cases they have collaborated with the
Catholic education system—and they have made amazing achievements.

Some of the schools I have visited can now fit their entire student body into one location. This kicked off their full assemblies, something they were never able to do before. Quite often I get comments from principals, teachers, students, parents and the P&Cs that they would have never been able to achieve these facilities through lamington drives or their other ways of raising money in the past. They would never have been able to get these facilities had it not been for a Labor government. It has been the biggest injection of funds into schools ever by a federal government.

One school built a language centre and a Zen garden to complement their Japanese students. They were also working with a local primary school, the University of Queensland and the Japanese consulate to give their students a boost in learning the language. We only just the other day released our white paper on the Asian century and what will happen in our schools in the future in providing these opportunities for people to learn another language.

Another school on the Sunshine Coast ensured they had a nice big kitchen, and it was built into their hall to complement their federal government-funded Stephanie Alexander garden. This way the students could learn how to grow their own vegetables and use these fresh products to make healthy meals. You tell me if that is waste.

I have seen covered sporting facilities, where students can play sport or do HPE classes, rain, hail or shine. I have seen performing arts buildings where schools can now host their own musicals and plays. The possibilities are endless when it comes to these opportunities. The other added benefit of the Building the Education Revolution is the ability of communities to have access to some of these halls that schools have chosen to build. Karate classes, church groups and so on have come into the halls and had the opportunity to use them on the weekends or after school. I have spoken to parents, teachers and principals, and not one of them has indicated any negativity about the BER project—only those opposite.

As you know, Acting Deputy President Marshall, some of the opposition turn up—whether federal or, in my case the other day, one of the new LNP Queensland state members—and they will push you out of the way to get in the photograph. They cannot wait to be in the photograph about a project they condemned all the time. We just heard from Senator Mason, who was condemning the BER project, and the opposition voted against it. But there they are, pushing their way in and stumbling over each other to try and get into the photograph. The hypocrisy of this is stark. The hypocrisy of those opposite and from the other House turning up to be part of these photographs is unbelievable. And what did it do? It generated jobs, and certainly in those five duty seats that I indicated. Longman, Dickson, Brisbane, Forde and Wright—all those members have turned up on most occasions for the Building the Education Revolution openings.

Senator Williams: I didn't.

Senator Furner: I know you did not—you are not a Queensland senator, that is why you were not there. That is quite easy to understand. In concentrating on jobs, I really want to crunch this reality: in the state of Queensland we have a situation where the new Premier up there is sacking 14,000 public servants—and that is just the tip of the iceberg. They are going to eliminate them off the face of the earth. But when it comes to jobs for the Liberal National Party in
Queensland they focus quite squarely on jobs for the boys, like Michael Caltabiano, who is now facing possible criminal charges. They focused on him and made sure he had a job when they were recently elected.

What happened after that? Former DG Neil Scales was terminated as a result of one of those 14,000 jobs that the state government was going through. He was on $343,000 then, and was paid that as a result of his termination, only to be re-hired on $428,000. How do you figure that? It is just another example of the waste of money and of how they treat jobs in Queensland.

Then there is the arts minister's son, Ben Gommers, who was hired to work in the transport department, being investigated by the Crime and Misconduct Commission. Where is Minister for Science, Information Technology, Innovation and the Arts Ros Bates when all this is going on? First it was annual leave, now it is sick leave—she is roaming around in shopping centres with an injured shoulder but nowhere to be seen when it comes to having to answer questions in the Queensland parliament about these atrocities. This is what the LNP government is about in Queensland—jobs for the boys, not jobs for our struggling workers who need them the most.

Focusing once again on the BER outcomes and concentrating on each of those areas: in the seat of Longman there was $94,344,435 spent on 122 projects; in the seat of Brisbane $81,959,700 was spent on 132 projects; in the seat of Forde $102 million was spent on 127 projects; in the seat of Wright $100 million was spent on 245 projects; and in the seat of Dickson $71 million was spent on 113 projects. That is just an example of what those opposite describe as waste—money in education for our future generation that will only benefit them as a result of getting that great initiative and that spending to ensure that they are best situated for the global situation into the future.

One of the Labor Party's core election commitments in 2007, and the crux of my decision to run in this place, was to abolish the Howard government's Work Choices and the unfair, entitlement-robbing industrial relations laws. We did this decisively, to make sure workers were treated fairly, had confidence and security in their workplaces and were not unfairly dismissed. We introduced unfair dismissal laws and we introduced an independent workplace relations tribunal, Fair Work Australia.

One thing we lead paramount on is fairness in the workplace and fairness overall. That is one thing the Labor Party stands for. That is where the divide is between us and those opposite. We believe in fairness while those opposite believe only in the example I gave of Queensland—creating jobs for the boys. This is where we differ—we have created 800,000 jobs since we were elected while those opposite are up there in Queensland with the LNP terminating 14,000 of them. It is the tip of the iceberg.

This government supports Australians at different stages of their lives. One prime example is that, not long ago, the Paid Parental Leave scheme was introduced by this Labor government. It is a proud and genuine scheme that will make sure that workers who are in times of need and giving birth to children have the opportunity to be protected and to have reasonable payment of wages paid to them at a time when they generally need it the most. Shortly, through the partner scheme, we will also be enabling partners to stay at home with their partner and new children for at least two weeks.

I do not have the opportunity to go through all our fantastic initiatives, but this is...
an example of what we have provided over our term in government and, certainly, since our last election in 2010, and we will continue the rollout of these fantastic initiatives.

Senator BIRMINGHAM (South Australia) (16:42): I rise to speak on this matter of public importance. Ten minutes is nowhere near long enough to go through the systematic government waste and incompetence of the Rudd and Gillard governments. Ten minutes is nowhere near long enough to go through even the systematic government waste and incompetence exposed at Senate estimates in just the one committee that I intend to touch upon today—the Senate environment and communications committee—and the gross examples of waste and incompetence that were once again discovered, uncovered and discussed at those estimates hearings.

The gold medal winner of them all in the environment portfolio under this government is the Home Insulation Program. Nothing stands out more and nothing looks better in terms of waste from this government than how they failed in that Home Insulation Program—what would come to be known as the pink batts debacle. We discovered in estimates how much it cost—what the final tally was: $2.156 billion was spent over four years on installation costs and clean-up costs in this dodgy program that saw so much waste occurring around Australia and so many wasted taxpayer dollars. The pink batts disaster, announced in February 2009 and abandoned barely 12 months later, has left this multibillion-dollar legacy and has been linked to at least four deaths and more than 200 house fires. The program has also left behind some debts for the government—2,494 bad debts that this Labor government is still trying to chase, taxpayer money it has given to businesses and is now trying to get back because it was fraudulently claimed. These 2,494 bad debts total $34.5 million from the Home Insulation Program, and indeed the subsequent Insulation Industry Assistance Package, which was meant to be rectifying the problems, has itself left 58 bad debts totalling $5.45 million. It would be comical if it weren't so sad; it would be funny if it wasn't taxpayer money being wasted.

But what we have is a situation where even the clean-up went wrong and taxpayers have had to foot the bill and are left with bad debts. Such are the bad debts that the government is trying to chase that the Department of Environment and Climate Change have called in the debt collectors. They have engaged what they politely refer to as a ‘mercantile agent’ to try to recover some of the money that the government has handed out and now wants to claim back because it gave the money to people who should not have got it in the first place. Dun & Bradstreet now stand to charge the government to chase these bad debts to try to get back some of the taxpayer money. The Dun & Bradstreet website assures taxpayers and others who might want to engage them that their ‘experienced team is committed to maximising your collections whilst ensuring that your customer relationships are maintained’. Here is a bit of advice for the government: firstly, I do not think you want to maintain relationships with the people who ripped your government and the taxpayers off for this money in the first place. Secondly, if Dun & Bradstreet are so good at managing to get money when it is needed, perhaps you should ask this company to collect your mining tax as well, because it does not seem to be going so well for the government on that front.

The Home Installation Program is but one. On a far greater scale of implications for the Australian economy is Labor's absolute incompetence when it comes to the
management of its carbon tax. In the carbon tax we discover that the government has effectively outsourced this tax regime to Europe. The confirmation was given in Senate estimates that if Europe were to take steps for Europe to adopt a more ambitious target than it currently has, that would, all other things being equal, result in Australians paying a higher carbon tax. That means a policy taken in Brussels, made with European considerations in mind, would result in Australians paying more carbon tax. This is the type of madness this government has embarked upon. It has decided that if the government is not capable of making decisions itself it is happy to outsource those decisions to Europe.

Little wonder then that as a consequence of outsourcing the decision-making to Europe on the rate of Australia's carbon tax, the government cannot tell us what the carbon tax may be. The Department of Climate Change and Energy Efficiency could not tell us in estimates whether the $29 predicted in the forward estimates of the government would be accurate or even a best estimate. They pointedly refused to describe the government's own budget forward estimates as accurate or as a best estimate. Instead all we could get was that: 'In the current market the estimate is not implausible'. That is good to know about the budget forward estimates, isn't it? The budget forward estimates that this government is relying upon are 'not implausible'. That really provides a lot of confidence. Equally, when asked whether Senator Milne's prediction that the carbon price could, when linked with the European scheme, go to $50 in a few years, we were told that was 'not completely inconceivable'. Who knows what we will be paying? All that is clear is that Australians will most certainly be paying more under the carbon tax.

The Department of Climate Change and Energy Efficiency and the new Clean Energy Regulator are on a drive to increase workplace productivity. We discovered that the New Clean Energy Regulator, one of several new bureaucracies established to manage the carbon tax, have in setting up their new offices decided to undertake a measure of workplace productivity that is quite novel. They have installed eight Nespresso coffee machines at a cost of $20,175 to the taxpayer. The justification for this? According to the CEO:

That procurement was for eight machines which was one for each of the staff kitchens. We did that obviously to provide a level of staff amenity but also because we thought it would be beneficial for productivity for staff to be able to buy their coffee on the premises rather than go out of the building. It is nice to know that the taxpayer is now footing the bill for coffee machines as productivity measures within the Public Service. However, the Clean Energy Regulator is but a small-time contributor when it comes to such measures, because the Department of Innovation, Industry, Science and Research admitted to buying five $15,000 coffee machines at a total cost of $75,000. The advice to public servants looking to transfer between departments is if you want good coffee the department of industry, with its $15,000 coffee machines, is going to have better coffee than the Clean Energy Regulator who paid a paltry $20,000 for eight machines. Perhaps I should be applauding the Clean Energy Regulator on the efficiency of the purchase of those coffee machines.

I am sure the coffee will go nicely with the wine cabinet that is needed for the climate change department's new building.
The new Nishi building in Canberra is receiving a $20.5 million taxpayer funded fit-out that comes complete with luxuries like a stainless steel wine cabinet. Apparently there was a need to accommodate either a wine fridge or a standard fridge in the executive dining room of the department's new digs. I trust they will be well enjoyed. Having new digs and dining rooms, of course, requires you to have kitchens. Luckily the government built some kitchens for the sole purpose of the climate change ads. They built kitchens at a cost of $79,700, although sadly they were fake kitchens. If they are hoping to be able to enjoy meals from these kitchens in the dining rooms with the coffee made by the coffee machines, the government will sadly be mistaken, because the $79,000 kitchens were fake kitchens. We hope that if the government are going on another multi-million dollar advertising spree at taxpayer expense that requires the use of kitchens they will still have these fake kitchens available to use.

I could go on, but what we see from this government is such waste that comes about every single estimates. This is why the Australian public have so little confidence in the government. (Time expired)

Senator BILYK (Tasmania) (16:52): I have to say that I am fairly concerned today by the matter of public importance—and I am concerned because the opposition have fallen into this inescapable pit of negative language that they cannot crawl their way out of. Coming into this place, the only words that are uttered by those opposite are criticisms and pejoratives, and the same hollow catchphrases and the same empty, shallow rhetoric goes on day after day and week after week. The words fly out of the mouths of Senator Fifield, Senator Abetz and others opposite, and they do it in quite an authoritarian way. They speak of doom and destruction and of faceless union boogeymen that live under the bed. I have to say that it reminds me of that great poem 'We'll all be rooned', said Hanrahan. It is a great poem. To listen to those opposite, that is exactly how they go on.

They talk about waste and the way the government have allegedly wasted money. I remind all those opposite of Work Choices. How much did you guys waste on Work Choices? I am reminded about those mouse pads that were put out that were not even able to be used as landfill. So when you come in here you have to be careful about what you start carrying on about. Those opposite talk about Whyalla being wiped off the map by cobras, pythons, or octopus or whatever animal the Leader of the Opposition wants to use to mix into his metaphors. There are also quite a few three-word catchphrases the opposition's tactic committee has decided upon to try and impart a bit of fear in their fellow Australians, and those opposite come in here and repeat them robotically and ad nauseum—in fact, sometimes it is quite nauseous.

Why do they do that? We on this side know why they do it. They do it because they have no plans, they have no vision and they have no policy—and the only strategy they have is to oppose. They are still fairly embittered that they failed to form government in the other place and they come into this place and scream like banshees about waste and incompetence. I think that is why the Australian people are starting to switch off to them.

This government has made significant achievements in helping to support Australian workers and Australian families. Despite the assertion in today's MPI, the government's signature programs have not failed. We have introduced Australia's first
national paid parental leave scheme, allowing working parents the financial security to spend much more time at home with their new child. From 1 January next year, two weeks of Dad and Partner Pay will also be paid in addition to paid parental leave. We know how important it is to support Australian families, especially in those first few weeks and months after the birth of a new child.

We have introduced tax cuts for all Australian workers earning less than $80,000 a year, by lifting the tax-free threshold to $18,200. We have delivered around $47 billion in personal tax cuts. So a worker earning $50,000 is now paying over $2,000 less in income tax than they were before Labor came to office in 2007.

Previous speakers mentioned the roll-out of the National Broadband Network. Coming from Tasmania, I know it is a great thing, and I have yet to hear any Tasmanians grizzle about it—except those on the other side. The complaint I hear, if one can call it a complaint, is that they just want the rollout program to go a bit faster and to get to their areas a bit faster and to get the plan going a bit faster. I have to say that they really love it in Tasmania. Within three years Tasmania will be the first state to have the rollout completed.

The NBN is rolling out fibre optic cable to communities that until just recently have only had access to slow ADSL or even slower dial-up. We all know—even though those opposite deny it—that the NBN is allowing businesses, local governments, schools, hospitals and individuals in the home to connect, interact and conduct business in a way that has previously been impossible. And that will only improve over the years. We all know how fast technology is changing and, as that progresses, there will be more and more that people will be able to do with the NBN. The NBN is a nation-building project which will allow all Australians to take advantage of an increasingly interconnected future.

Despite claims by those opposite that the carbon price would have an 'unimaginable' impact on prices, the implementation has occurred as modelling predicted. The Australian Bureau of Statistics reported that the Consumer Price Index rose by 1.4 per cent in the three months to September—compared to a 3.8 per cent increase when the coalition's GST came into effect in the September quarter of 2000. The opposition's climate action spokesman, Mr Hunt, has continued with the scare campaign by claiming the September quarter CPI increase was largely due to higher electricity prices. In fact, higher electricity prices contributed 0.3 percentage points of the 1.4 per cent CPI increase, less than a quarter of the CPI rise—and, of course, not all of this was due to the carbon price.

Treasury modelling shows the impact of the carbon price on household electricity bills averages around $3.30 per week—and the Gillard government is providing households $10.10 a week on average. The clean-energy future program is cutting pollution, investing in clean energy and protecting the environment by putting a price on carbon—without a wrecking ball, a python or a missing Whyalla in sight!

The new schoolkids bonus, which replaces the education tax refund, supports families at a rate of more than $400 for each child in primary school and more than $800 for each child in high school from 1 January 2013. This will make life so much easier for parents to meet the education costs of their children. We on this side understand the role that education plays in improving outcomes for our next generation. Despite the importance of this payment to Australian
families, the Shadow Treasurer, Mr Hockey, has confirmed that a coalition government would scrap the schoolkids bonus. That is right: they would scrap the schoolkids bonus; they would slap in the face thousands of parents of school-age children.

The government have also delivered greater justice for Australia's lowest paid workers in a number of sectors. The government have issued new guidelines that will ensure cleaners working for government agencies will have their wages and conditions protected; we have delivered greater rights and protections for vulnerable textile, clothing and footwear outworkers; we are securing the future of shipping in Australia with greater opportunities for Australian seafarers and an increased number of Australian flagged vessels; and we have delivered a new road safety remuneration system for Australian trucking.

The Gillard government is committed to delivering 100 per cent of our share of the historic Fair Work Australia increases for social and community services workers. SACS workers will receive pay rises of between 23 and 45 per cent in nine instalments from December this year. This means that 150,000 of Australia's lowest paid workers, 120,000 of them women, who have been underpaid for years will finally get fair recompense for the work they do. And who has done that? We have done that—not those on the other side but people on this side.

The Gillard government is investing $1 billion to deliver the first stage of a National Disability Insurance Scheme, beginning from July next year. The first stage will benefit about 20,000 people in five locations across the country, including in my home state of Tasmania. We are also working closely with state and territory governments and people with disability and their advocates to work out key issues such as assessment and eligibility. This will help prepare us as we work to make an NDIS a reality for all Australians. This is a vital program for all Australians, in particular those with disability, their families and carers.

In the minute or so that I have left, I would like to point out that the Mid-Year Economic and Fiscal Outlook shows the Gillard government is on track to return the budget to surplus, and it shows again that the fundamentals of the Australian economy are strong, despite global turmoil. The responsible savings we have made since we were elected have also made room for true Labor reforms like the biggest increase to the age pension and paid parental leave. We are returning the budget to surplus despite global turbulence ripping almost $22 billion from government revenues. The ongoing tough times abroad reinforce that there is not a country in the world you would rather be in than Australia—something we can all be extremely proud of.

We have continued to find savings in a balanced and responsible way, doing everything we can to protect low- and middle-income families and the community's most vulnerable. The economic disturbances mean that we will have to find substantial savings to return the budget to surplus, but we remain committed to doing just that, because it is our best defence against global economic turbulence. Those on the other side know that. This government has delivered solid growth, low unemployment, strong investment and it has contained inflation—showing that our economy stands tall in the face of global economic challenges. (Time expired)

Senator FIERRAVANTI-WELLS (New South Wales) (17:02): I was waiting for Senator Bilyk to cease her screeching. She comes into this place and says that she is sick of people screaming like banshees. You
ought to listen to yourself, Senator Bilyk. Once again we have yet another one of the quota girls coming in here, preaching in unison, reading from the script—the same old script of lies and misrepresentation. Anyway, let me turn to the matter of public importance that is before us.

**Senator Bilyk:** Whatever happened to solidarity among the sisterhood?

**Senator FIERRAVANTI-WELLS:** Don’t ever refer to me as the sisterhood, Senator Bilyk.

**The ACTING DEPUTY PRESIDENT (Senator Marshall):** Senator Bilyk, if you are going to interject you need to do it from your seat; but you shouldn’t do it from your seat in any case.

**Senator FIERRAVANTI-WELLS:** Thank you, Mr Acting Deputy President.

**Senator FIERRAVANTI-WELLS:** Perhaps you can ask Senator Bilyk to come to order. She is getting a bit carried away.

**The ACTING DEPUTY PRESIDENT:** I think we should move on with the debate before us.

**Senator FIERRAVANTI-WELLS:** The debate before us is in relation to the waste and mismanagement of the Australian Labor Party and their Greens alliance partners and how it is adding billions of dollars to what has already been wasted on failed schemes; plans that have gone absolutely, totally astray; and blatant, wanton misspending of taxpayers money with absolutely no regard whatsoever as to how the money is going to be paid back.

This is a government wallowing in red ink. Of course, the Australian Labor Party love red ink, because they have left a trail of it right across Australia at the state level where they have been ousted from power. Let us look at some examples of mismanagement and absolute wastage of money from the recent estimates hearings. Senator Furner was talking about Queensland. Perhaps he has not been to some of the places that I have been to. Let me give you an example, Senator Furner, and perhaps on your travels you might like to go and visit this place. It is in the seat of Flynn and it is a school hall that cannot be used. Do you know why it cannot be used? Because there are no toilets. So this green monstrosity just sits there, out in the back of nowhere, and it cannot be used. Hundreds of thousands of dollars have been wasted because it cannot be used, because there are no toilets in this place. To me, that is a very good example of what an absolute debacle the BER was. Other examples have been eloquently exemplified and articulated by Senator Mason.

I now come to another example of waste and mismanagement which was given to us in estimates. Finally we started to see the cost of the protection racket for Mr Craig Thomson and the HSU investigation. I have of course traversed the innards of this scandalous and putrid episode in this government. Of course, now we know that Fair Work Australia has so far spent more than $1.8 million on outside legal and accounting advice for its investigation into the rorting of HSU funds: $1.3 million on external legal advice, $100,000 on external accounting advice, $430,000 on KPMG’s review of the investigation, and, of course, the $1.8 million does not include the cost to taxpayers of Fair Work Australia’s Federal Court action against Craig Thomson. That court action now follows Fair Work Australia findings that Mr Thomson has used HSU funds to pay for escort services and for other improper purposes.

I come to the Slipper matter and what was revealed at estimates last week. The Australian Government Solicitor admitted at
estimates that there were 17 lawyers. Having been a former lawyer at the Australian Government Solicitor myself and having had a 20-year association with that office, as I said at estimates, I have never seen 17 lawyers working on a case at the Australian Government Solicitor's office. I will come to why that is the case. It was clear from the evidence that was given that the instructions in relation to this matter came directly from the Attorney-General, the quota girl in chief. The Australian Government Solicitor told us that, in addition to the 17 lawyers, there were also barristers. The bill was around $730,000, all for a case which finally settled for $50,000.

The revelations in the Senate last Tuesday evening show just how Nicola Roxon has acted in this matter. I have to question, as have other people questioned, the political instincts of Minister Roxon, the Attorney-General, which need to be curbed. She has done her high office, which ought to be respected, and her reputation no favours whatsoever. I quote from the Australian editorial of 18 October which says:

Ms Roxon has done her high office and her reputation no favours by becoming mired in the messy legal fallout of Mr Slipper's ghastly text messages that fit the definition of "misogyny" in any dictionary.

Clearly, the motivation for this was purely political, because it could not have been legal. I cannot see the legal advice that may have been given for this.

Ms Roxon sought to permanently stay Mr Ashby's claims four days after she was briefed on the lurid text messages, which, by the way, they had since May this year. It is very clear, and I think she has been damaged very much in relation to this matter. It is not surprising that we read about deep divisions. The Australian Financial Review of 18 October said:

Deep divisions have emerged in the federal government over the handling of the sexual harassment case against former speaker … with strong internal criticism of the role of Attorney-General Nicola Roxon.

Perhaps finally people have worked it out. After the disaster that this woman left in the department of health, now she is going to create a trail of disaster in the Attorney-General's Department as well.

Let's look at other examples—

Senator Polley interjecting—
Senator Bilyk interjecting—

Senator FIERRAVANTI-WELLS: Mr Acting Deputy President, perhaps you could ask those women cackling over there to please cease their cackling because it is really quite annoying. If they want to make a decent contribution—

The ACTING DEPUTY PRESIDENT (Senator Marshall): If you are seeking protection of the chair, Senator Fierravanti-Wells, you will receive it. I require interjections to cease.

Senator FIERRAVANTI-WELLS: You always tell me and others on this side to cease. Perhaps you might tell those opposite likewise to desist.

The ACTING DEPUTY PRESIDENT: I just did that.

Senator FIERRAVANTI-WELLS: Thank you, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT: But I note there have been interjections from both sides. Now that Senator Fierravanti-Wells has brought that to my attention, I will not allow any interjections.

Senator Siewert interjecting—

Senator FIERRAVANTI-WELLS: That is right: she is not even doing it from her seat. Thank you, Senator Siewert.
In the time available, let me look at a couple of other things in relation to the costs. Defence officials confirmed at estimates that the $200 billion to $230 billion cost to buy the capabilities outlined in Labor's 2009 Defence white paper, Force 2030, is almost completely unfunded. In addition, the white paper promised three per cent real growth in funding every year to 2017-18 and 2.2 per cent real growth beyond that. Of course, these promises have fallen by the wayside, like many of the other things. Labor have siphoned off more than $25 billion from Defence, using the money to prop up their budget bottom line. Having said that, despite these cuts the Army has not been spared, because it will have to pay the carbon tax. The carbon tax is expected to cost the Army $20.3 million in increased energy costs.

I come to an item briefly in relation to the Pacific Highway. The duplication, from 2016 to 2020, will add at least $800 million to the cost of the project. The delay in the completion of the Pacific Highway will add those costs. Regarding asylum seekers, where do we start? The shambolic immigration system of this government has become an absolute policy failure. There was not just one policy failure. Who was the person who said 'one boat'? That is another policy failure. There have been thousands of policy failures by this government and the Prime Minister in this area.

**Senator FAULKNER** (New South Wales) (17:13): Yet another matter of public importance from the opposition; yet another opposition own goal. Today's MPI is particularly embarrassing for the opposition, which was left to promote its own miserable efforts at Senate estimates, because, simply put, no media outlet was interested. With four days of hearings, eight committees in session and no distractions from the other side of the building as the House of Representatives was not sitting, there was a heaven-sent opportunity for a capable opposition—that is not the one across the chamber today, of course—to make some ground. No ground was made. No political benefit was achieved and no credit should go to anyone associated with such a miserable political failure.

Hit with the cold, hard reality that the opposition had bungled their way through a rolled-gold opportunity and had failed to score any political points at all in the media, Senator Abetz panicked. He tried to remind the media that the opposition were still breathing and that the wheels of the Senate estimates process were still turning. So what did he do? He put out a press release—I even have a copy of it here. It is about the coalition's work in estimates. Then, when still no media outlet would do the right thing by the opposition and pick up on all the hard work and tough, rigorous questions that they had asked, the Leader of the Opposition in the Senate tried to save the day by misusing the MPI debate here in the Senate chamber as a way of talking up the opposition's Senate estimates work. It is a pity nobody had proofread the press release and it is really a pity that no-one had fact-checked the press release in Senator Abetz's name—what a pity, anyway, that they needed such an exercise in self-promotion in the first place.

Here it is. Under the breathless Liberal Party words 'See it and read it first', we have the headline 'Senate Estimates Committees—Labor's Waste and Mismanagement'. I hope that the written *Hansard* will accurately reflect the monstrous assault on traditional English grammar and usage that you find throughout this document. Could I request that the Liberal Party in future use appropriate tenses, proper punctuation and upper case letters when required and even try to put some verbs in some of the sentences in their press releases. After the mangled
headline of this press release, the third sentence of the release grandly claims:

Here are just some examples of Labor waste and mismanagement which was uncovered by the Coalition this week during Senate Estimates.

And it went on, embarrassment after embarrassment.

I am reminded of a column by Verona Burgess in the *Australian Financial Review*. This was some time ago. Ms Burgess is, of course, acknowledged on all sides of politics as the foremost public commentator on the Senate estimates process. Let me quote for the benefit of all senators Ms Burgess's words. She quotes an old hand in this article, entitled 'Bruised Libs let rancour rule', who was talking about our friends on the other side of the chamber:

"They are disorganised, with no apparent leadership, no co-ordination, too individualistic, lots of wasted effort, poor timekeeping, meaning agencies had to drop off, [and] poor impact ... [They used] bad tactics. Estimates is most effective when two or three co-ordinate an attack."

Nothing has changed since those words were written in 2008. I found 2009's article, headed 'Opposition mud-throwing barely sticks', and 2010's article—and I commend these to the opposition: you read, you might learn—under the headline, 'Unruffled under estimates fire'. And so it goes on. Nothing has changed after 16 rounds of estimates. Since the Howard government lost office the opposition has simply failed to master the art of Senate estimates. The only mud the opposition has got to stick a t estimates was on the Godwin Grech issue, and that mud they managed to stick on themselves. That takes some talent from the opposition—you have to give them marks for that. The only mud they managed to stick stuck all over them.

It is particularly galling, I must say, to see the opposition in their document attacking a great Labor reform like the National Disability Insurance Scheme, which I think will positively transform the disability care and support system in this country, a system that, I believe, for too long has been letting down people with disabilities, their families and their carers. That scheme will deliver a whole new approach to the way we provide immediate support to the disabled. It will continue to invest in the future for some of the most vulnerable members of our community. I am proud of that initiative and I was disappointed to see that included in this very partisan political attack from the opposition because I know many people in the community do really eagerly await the implementation of this scheme.

So it has come to this. The negativity of the opposition has plumbed new depths. They are not just opposed to taking action on climate change, Building the Education Revolution or providing high-speed broadband through the NBN. They are now against coffee machines for public servants. They are against Australia's ambassador to Rome having a place to sleep at night. They are against the Department of Climate Change and Energy Efficiency procuring a bar fridge. We even heard them whingeing about the cost of their own policy, sending asylum seekers to Nauru.

And we now know all this thanks to the efforts of the opposition today because no media outlet would run the story for the and do the right thing by the opposition and report all this guff about their estimates achievements; we had to hear it from themselves. So even though no-one else believes it—no-one in the press gallery, no-one in the parliament, no-one in the public, no-one in the community—we now know, courtesy of today's MPI debate right here in the Senate chamber, that Senate estimates was a triumph for the Liberals. Thank you so much for informing us about that.
Let me say this. I have always said that it is a very sad indictment when politicians start to believe their own publicity. And it is an even sadder indictment when politicians start to believe their own lack of publicity.

The ACTING DEPUTY PRESIDENT (Senator Marshall): Order! The time for consideration of the matter of public importance has expired.

STATEMENTS

Union of Agricultural Work Committees

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (17:23): Mr Acting Deputy President, I seek leave to make a short statement.

The ACTING DEPUTY PRESIDENT (Senator Marshall): Is leave granted? There been no objection, leave is granted. Senator Kroger.

Senator KROGER: I am appalled that Foreign Minister Carr sought to impugn the integrity and reputation of my family, my two sons, in answer to a question asked by Senator Abetz during question time today. Immediately after question time I called Senator Evans to seek an apology and I am disappointed to say that Senator Evans has not showed me the courtesy of returning my phone call. The coalition has asked questions in estimates and again today about what due diligence has been undertaken in ensuring that taxpayers' money has not been channelled through an organisation that is accused of having links with known terrorists. I am dumbstruck by the fact that Senator Carr seems to have the resources to trawl through my family and yet has not chosen to look at a disturbing video that has come to light that can be easily googled by any one of us or certainly by someone in his office. This is politics of the lowest order.

My sons chose to spend a Christmas working voluntarily in a legitimate law firm in Israel putting together a class action for victims of crime. For the record, they had no involvement in the issue of the Union of Agricultural Work Committees. Yet the Foreign Minister chooses to mock their integrity. This is from a Foreign Minister whose own family have been subject to adverse media commentary and who, frankly, should know better. This behaviour reflects very poorly on him and he should have the decency to come into this place this afternoon, right now, and apologise.

MINISTERIAL STATEMENTS

Australia's Pulp and Paper Industry

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:26): I present a ministerial statement relating to Australia's pulp and paper industry.

Senator COLBECK (Tasmania) (17:26): by leave—I move:

That the Senate take note of the document.

It has been a long time since we have heard anything from this government in relation to Australia's pulp and paper industry. It is interesting that this week, when the ForestWorks conference is on and representatives of the timber and paper industry are in town, Minister Combet has made a decision to make a ministerial statement. But you really wonder what the value of this statement actually is given the tawdry history of the way the government has managed this particular issue. The ministerial statement says in part:

In 2009, the government convened the Pulp and Paper Industry Strategy Group to undertake a strategic review of Australia's pulp and paper industry.

I will come to the time lines around that later. The strategy group's report included a
recommendation on the themes for innovation, investment and sustainable productivity. The government's response is on the website. It then goes on to talk about the establishment of a leadership group and the government's key announcement in the statement that was tabled in House of Representatives yesterday was the appointment of the advisory group to the manufacturing leaders group of Mr Michael O'Connor and Mr Jim Henneberry, who the statement says will play a key role in ensuring that the concerns of the pulp and paper industry are heard and considered in the development of our manufacturing industries.

I have to say you really wonder what has been going on within government and what the government has been doing with its own appointment when on 11 October 2010 they appointed experts to guide pulp and paper industry development. So the government at that point in time put together a pulp and paper industry innovation council, to be chaired by Mr Steven Payne, head of the manufacturing division in his department, and appointing Mr Jim Henneberry from Australian Paper and Mr Michael O'Connor as the deputy chairs. There is no reference to that appointment or this committee that included a number of members from the paper industry, the union movement and the forest industry, back in 2010. It is my understanding that there is nothing happened or meetings held of that committee since. And so here we have, two years later, the appointment of two of the same personalities out of that committee to another group by the government.

When you go back and look at the history of this whole process, and the government's attitude to the pulp and paper industry, it is interesting to note that since 1998 the Labor Party has had a policy position which was promising a pulp and paper industry strategy, 'to devise growth strategies based on new investment and new innovation and a commitment to job opportunities,' and to base that strategy on the regional forest agreement. Now that has been the promise of the government since 1998. Yet in government, here we are in 2012 making two appointments to a group that reflect very much two appointments that were made to a similar group two years ago.

We go back to the outset of this process, where on 6 March 2009, in response to an announcement by Australian Paper that they were reviewing the operations of two paper mills on the north-west coast of Tasmania, Minister Carr and the member for Braddon, Mr Sidebottom, conducted a meeting in Melbourne. Minister Carr could not come to Tasmania to meet the locals; they all had to go to Melbourne to meet him. They announced, with great fanfare, that they would put together a pulp and paper strategy group—a reference group to review the industry.

The review and reference group was announced on 6 March by then Minister Carr and Mr Sidebottom. The press release that they put out said:

The strategy group will run in parallel with the current company review, which is intended to be completed by the end of June.

And also:
The review and the strategy group report will give government, the North-West Coast community and the industry a clearer understanding of where things are at and what the industry may need to sustain its future.

That was on 6 March 2009.

Three months later, we still did not have terms of reference for that group. On 20 March, when we made some inquiries through the minister's office, Minister Carr's office said that the terms of reference were still being decided. On 15 May we made
further inquiries and Minister Carr's office said that the terms of reference, 'will be announced within two weeks'. On 11 June, Minister Carr's office told the media that there was no time frame for the terms of reference. The review being done by Australian Paper of their paper mills was almost over and the terms of reference had not even been announced.

Then on 12 June, Mr Sidebottom said, 'There is no connection between the Australian Paper review and the government process'. So, despite the initial announcement on 6 March saying that the strategy group would run in parallel with the current company review, by the time we got to 12 June, and no action out of the minister's office, Mr Sidebottom had to say that there was no connection between the Australian Paper review and the government process. What a complete and utter farce!

On 19 June, Minister Carr finally announced the terms of reference, with the review to be finalised by November 2009. In August the minister again claimed that the report would be finalised in November 2009. On 21 October Minister Carr said that the report would be finalised on 16 December. And on 16 December, Minister Carr announced that the report would be due by the end of March 2010. What a complete debacle! And the government wants us to think that they are serious about the pulp and paper industry.

On 20 April we finally got the report. By that time, Australian Paper had announced the fate of its mills in December 2009 and, as we said back in March, 'The way the government is going, Australian Paper will have made its decisions before the report comes out', and that is exactly what happened. And here we are in 2012, having released the report, and the one recommendation that the government has done anything about at all was the development of a pulp and paper industry innovation council to improve innovation.

That council was appointed in 2010. It has done nothing. And now, with the Forest Works Conference in town this week, we have Minister Combet coming out with an announcement to say, 'We are appointing Mr Jim Henneberry and Mr Michael O'Connor as co-chairs to provide advice to the manufacturing leaders group'. How can the pulp and paper industry in Australia have any confidence at all in the management of its industry by this government?

The two paper mills on the north-west coast of Tasmania have long since closed. They were supposed to use the process that the government set up to inform them, the community and the workers of how to move forward. It was a year later that the report finally became available, after a number of delays. Then we have this process where there has been no action for two years and suddenly we have two appointments that were mirror appointments of those made at this time in 2010, and we are supposed to believe that this government has plans, ideas and thoughts to take this industry forward. I do not see how anybody can have any confidence that that might be the case.

Question agreed to.

DOCUMENTS

Department of Parliamentary Services

The ACTING DEPUTY PRESIDENT (Senator Edwards) (17:37): I present the Annual report of the Department of Parliamentary Services.

Ordered that the report be printed.

Question agreed to.

Dental Benefits Amendment Bill 2012

Senator FEENEY (Victoria—Parliamentary Secretary for Defence)
8450

(17:37): I seek to table a correction to the explanatory memorandum relating to the Dental Benefits Amendment Bill 2012.

Immigration and Citizenship

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:37): I also seek to table particulars of proposed expenditure and certain proposed expenditure in relation to the implementation of the report of the expert panel on asylum seekers in respect of the year ending on 30 June 2013. I also table the portfolio supplementary estimates statements 2012-13 for the immigration and citizenship portfolio relating to the documents I have just tabled.

COMMITTEES

Foreign Affairs, Defence and Trade Joint Committee

Report

Senator MOORE (Queensland) (17:38): On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the report of the committee, Australia’s overseas representation—Punching below our weight? I seek leave to move a motion in relation to the report. Leave granted.

Senator MOORE: I move: That the Senate take note of the report.

In doing so, I will be making a statement very similar, I believe, to that which was made by my comrade in the lower house. This report identifies a chronic underfunding of DFAT over the last three decades, which has resulted in a diplomatic network which is seriously deficient and does not reflect Australia's position within the G20 and OECD economies. Australia has the smallest diplomatic network of the G20 countries and sits at 25th in comparison with the 34 nations of the OECD, hence our title: Australia is clearly punching below its weight.

Our committee has recommended in this report that the budget priority for overseas representation should be significantly raised because of the real benefits that accrue from diplomacy. In the medium term, Australia should substantially increase the number of its diplomatic posts by at least 20 posts to bring it to a level commensurate with its position within the G20 and OECD.

In the longer term, funding to DFAT should be increased to a set percentage of gross domestic product sufficient to reflect Australia's standing as a middle power. There appears to be no overall strategy for Australia's diplomatic engagement with the world or any criteria for establishing, continuing or closing diplomatic posts. To address this deficiency the committee has recommended that the government produce a white paper to set the agenda for Australia's whole-of-government overseas representation.

Our committee has received DFAT's priorities for increasing Australia's diplomatic footprint should it receive increased funding and a number of suggestions from interested parties for opening new diplomatic posts in particular countries. The committee however has restricted itself to recommending that there should be additional posts in Asia, and in particular in China and Indonesia, and of course having the white paper and the review would lead to further discussion and perhaps decision.

The committee absolutely recognises the valuable activities undertaken abroad by Australia's representatives in promoting Australia's interests, promoting trade opportunities, and through providing consular assistance to Australians abroad. Many in this place have had the fortune to visit with diplomatic posts overseas and we
always acknowledge the superb service and professionalism of those posts.

Our committee notes, however, that issues relating to the effect of recent funding cuts on overall effectiveness, resource allocation of any additional funding, and the number and performance of locally engaged staff would benefit from further examination. The committee has therefore recommended that there be an external review of DFAT to prepare it for the future and, hopefully, for the implementation of other recommendations in our report.

The committee has made a number of recommendations including: funding the ever-increasing demand for consular services from Australians who travel abroad in part from revenue sources such as increased passport fees and a small tiered levy structured to take into account those Australians who have taken out travel insurance or who are unable to obtain travel insurance; placing on the COAG agenda discussion of the location, coordination and effective use of state and Commonwealth trade representatives; the creation within AusAID of a mediation unit to reduce the potential need for aid and rebuilding assistance by preventing conflict; and establishing an office of e-diplomacy within DFAT to harness the potential and deal with the challenges of e-diplomacy particularly in light of the constantly evolving nature of this technology.

The operations of a diplomatic network are being challenged by a lack of funding, the growth and development of Australia's economy, the shift of global power towards Asia, the impact of technology and the rising importance of public diplomacy. This report along with recent reports by the Lowy Institute and the Asian century white paper highlight the urgent need to rebuild Australia's diplomatic network and enhance our independent international standing. We believe that our diplomatic network must be resourced to grow if Australia is again to punch above its weight in the world.

In conclusion, I would like to thank all those who provided submissions to the review and provided evidence at the public hearings. There is real interest, knowledge and concern in this country about this issue. Finally, I thank my colleagues on the Foreign Affairs Subcommittee, and the secretariat in particular John Carter, Peter Kakogiannis, Jessica Butler and Sonya Gaspar. I commend this report to the Senate.

Senator IAN MACDONALD (Queensland) (17:43): If no-one else wants to talk to it, I seek leave to continue my remarks on this issue.

Leave granted.

BILLS

Superannuation Laws Amendment (Capital Gains Tax Relief and Other Efficiency Measures) Bill 2012

Superannuation Auditor Registration Imposition Bill 2012

First Reading

Bills received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:44): I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:45): I move:

That these bills be now read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.

Leave granted.

The speeches read as follows—

SUPERANNUATION LAWS AMENDMENT (CAPITAL GAINS TAX RELIEF AND OTHER EFFICIENCY MEASURES) BILL 2012

This Bill amends various superannuation laws to implement a range of improvements to Australia's superannuation laws.

Schedule 1 reinstates the temporary tax relief for merging superannuation funds with some modifications. The tax relief will permit eligible entities to roll-over unrealised gains or losses on revenue and capital assets and allow the transfer of realised revenue losses and capital gains. This will ensure that certain tax considerations are not an impediment to superannuation funds seeking to merge and consolidate in response to the Stronger Super reforms, which will deliver benefits to members from the efficiency generated by the reforms.


The Government's Super System Review found that while some approved auditors are subject to minimum competency standards through their professional association, not all approved auditors are subject to the same minimum competency standards, nor are they subject to the same enforcement actions.

The Self managed Superannuation Fund (SMSF) sector is the largest sector in the superannuation industry at some $400 billion. The members of these funds are advised by a range of experts including lawyers, financial planners and accountants.

A key role is played by the 11,000 or so SMSF auditors. They play a vital role in maintaining the integrity of a major sector of the superannuation system. Each year, SMSF trustees are required to appoint an approved auditor to audit the financial reports and the operations of the fund. The auditor is required to assess the fund's overall compliance with the law and the fund's financial statements.

The annual audit provides assurance to the Government and the general public that SMSFs are complying with the sole purpose test, something that is particularly important given the amount of retirement savings held in SMSFs.

The amendments will introduce a registration regime for SMSF auditors, where auditors will be required to meet initial and ongoing requirements relating to their qualifications, competency and independence.

Transitional arrangements are being developed as part of the Regulations to give recognition to highly experienced, competent auditors, including registered company auditors.

The Australian Securities and Investments Commission will be the registration body for SMSF auditors and will be responsible for setting competency standards and taking enforcement action against auditors who have not met their obligations. The Australian Taxation Office will monitor auditor's compliance with relevant standards and refer any non compliant auditors to Australian Securities and Investments Commission for consideration of enforcement action.

SMSF auditor registration will increase the assurance that can be placed in the SMSF audit by ensuring that SMSF auditors are competent to detect and report contraventions of the superannuation law.

The legislation has been put together in consultation with members of the Joint Accounting Bodies.

Schedule 3 amends the tax law to expand the existing reporting obligation for superannuation providers. Under the revised obligations, superannuation providers will be required to provide statements for all members who held an interest in the superannuation plan at any time during a reporting period, not just those for whom contributions are received as is presently the case.

These amendments will allow the ATO to display more comprehensive superannuation
information to individuals and facilitate the consolidation of inactive accounts with a low balance. To the extent that this enables individuals to locate lost accounts, it will help improve individuals' retirement savings.

Schedule 4 of the Superannuation Legislation Amendment (Capital Gains Tax Relief and Other Efficiency Measures) Bill 2012 amends the Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Retirement Savings Accounts Act 1997 (RSA Act) to improve the quality of information in the superannuation system, and facilitate fully effective e-commerce.

As part of the Government's SuperStream package of reforms, a number of measures were announced to improve the efficiency of the superannuation system. The Government legislated standards for superannuation transactions in June this year, and this legislation will ensure the effectiveness of these standards.

It has been estimated that the Australian superannuation industry processes more than 100 million transactions annually. The potential gains to the system from effective e-commerce in superannuation are significant.

Currently poor member information quality leads to difficulties in allocating contributions, unnecessary duplicate accounts and a large amount of lost and unclaimed superannuation.

This legislation supports the industry in achieving the goals of effective e-commerce and improving information quality. The Commissioner of Taxation will provide two key services:

- A central register containing accurate and secure details of superannuation funds which is critical to effective e-commerce, and
- A tax file number validation service which can be used by employers and trustees to ensure the information they hold for their employees and members is correct.

It is estimated that the SuperStream proposals could save the industry and, therefore, members of superannuation funds up to $1 billion per year. Much of the benefit of these savings should flow through to members in the form of lower fees and charges.

SUPERANNUATION AUDITOR REGISTRATION IMPOSITION BILL 2012

This bill provides for the imposition of fees relating to approved auditors of self managed superannuation funds.

In recognition of the important role self managed superannuation fund auditors play in the regulatory arrangements for self managed superannuation funds, the Government accepted the recommendation of the Super System Review to establish a registration regime for approved self managed superannuation fund auditors.

Self managed superannuation funds auditor registration will increase the assurance that can be placed in the self managed superannuation fund audit by ensuring that self managed superannuation fund auditors are competent to detect and report contraventions of the superannuation law.

This bill imposes some fees to help recover costs of establishing the self managed superannuation fund auditor registration regime.

Approved self managed superannuation fund auditors will be required to pay fees for certain things as part of the registration process. It is expected that applying for registration will cost $100, undertaking a competency exam will also cost $100 and submitting an annual statement to the Australian Securities and Investments Commission will cost $50. Approved self managed superannuation fund auditors will be liable for additional fees if they do not submit their annual statements on time or fail to notify the Australian Securities and Investments Commission of certain matters on time. The amount of these fees will depend on how late the statement or information is provided to the Australian Securities and Investments Commission.

Certain searches of the Register of Approved self managed superannuation fund Auditors and Register of Disqualified self managed superannuation fund Auditors that the Australian Securities and Investments Commission keeps may also be subject to fees. These fees are based on cost recovery and will depend on the resources required to find information for the requested
search. However, online searches of the register will be free.

Full details of this bill are contained in the explanatory memorandum.

The ACTING DEPUTY PRESIDENT (Senator Edwards) (17:45): In accordance with standing order 111, further consideration of these bills is now adjourned to the first day of the next period of sittings, which commences in 2013.

Freedom of Information Amendment (Parliamentary Budget Office) Bill 2012

Law Enforcement Integrity Legislation Amendment Bill 2012

Superannuation Legislation Amendment (New Zealand Arrangement) Bill 2012

First Reading

Bills received from the House of Representatives.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:46): These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:47): I move:

That these bills be now read a second time.

I seek leave to have the second reading speeches incorporated in Hansard.
relevant exemption applied would in effect confirm the existence of the documents and the fact that a confidential request had been made to the Parliamentary Budget Office.

Procedures and protocols between the Parliamentary Budget Office and departments have been established but this bill takes a further step in clarifying the appropriate protections.

The bill amends the FOI Act to provide an exemption for information held by departments and agencies that relates to a confidential request to the Parliamentary Budget Office. This will ensure that the integrity of the Parliamentary Budget Office's processes in these matters which are critical to the successful operation of the Parliamentary Budget Office will not be undermined.

The bill also amends section 25 of the FOI Act to provide that an agency is not required to give information as to the existence or non-existence of a document where it is exempt under the new provisions.

The bill also contains a consequential amendment to section 34 of the Privacy Act 1988. Section 34 of the Privacy Act 1988 provides that the Commissioner in carrying out functions under the Privacy Act 1988, for example investigating an act or practice of an agency that may be a breach of privacy, must not give a person any information as to the existence or non-existence of a document where it is exempt under the FOI Act.

It is proposed to amend section 34 to refer to the new Parliamentary Budget Office exemption, reflecting the amendment to section 25 of the FOI Act and ensuring that Parliamentary Budget Office documents are confidential.

Given the importance of this issue and the Parliamentary Budget Office's independence and integrity, it is proposed that the bill will operate retrospectively from the day after introduction.

The work of the Parliamentary Budget Office is undertaken for the benefit of the Parliament. These reforms are critical to the success of the independent Parliamentary Budget Office. They will enhance the operation of the Parliamentary Budget Office for senators and members from all political parties.

The establishment of the Parliamentary Budget Office has strengthened Australia's fiscal and budget frameworks by providing non-partisan and independent information to the Parliament on the budget, fiscal policy and financial implications of proposals.

These reforms will protect the confidentiality of the Parliamentary Budget Office's work and ensure that it will operate as it was intended when the Parliament expressly exempted the Parliamentary Budget Office from the FOI Act.

LAW ENFORCEMENT INTEGRITY LEGISLATION AMENDMENT BILL 2012

The vast majority of Commonwealth law enforcement officers are good, honest hardworking people.

But it is an unfortunate fact that criminals target law enforcement officers.

Organised crime groups actively target our law enforcement officers because of the nature of the work that they do—and because of their access to sensitive information.

It happens all around the world.

There is no place for corruption in the public sector.

That is why the Minister for Justice has bought this legislation forward.

That’s why the Minister for Justice has made it one of his top priorities.

Where we find corruption, we have to weed it out.

This bill is an important step in this process.

It will give our law enforcement agencies more power to prevent corruption, and increase the tools and the powers they have to weed it out where they find it.

The bill contains three key measures:

1. It introduces targeted integrity testing for the Australian Federal Police, Australian Crime Commission and the Australian Customs and Border Protection Service Officers suspected of corrupt conduct;

2. It doubles the number of law enforcement agencies covered by the Australian Commission for Law Enforcement Integrity; and
3. It strengthens the powers of the Chief Executive Officer of the Australian Customs and Border Protection Service to deal with suspected corruption.

I will outline each of these measures.

**Integrity Testing**

First, integrity testing.

An integrity test is an operation designed to test whether an official will respond to a simulated or controlled situation in a manner that is inconsistent with an agency’s standards of integrity.

Examples of integrity testing include:

- Leaving valuable goods at a simulated crime scene to test whether an officer steals the item, or
- Putting false information in a database to catch a person suspected of unlawfully disclosing information.

Officers in State police forces are subject to integrity testing.

This includes New South Wales, where testing was introduced following the Wood Royal Commission, and Queensland, where testing is conducted by the Crime and Misconduct Commission.

The Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity recommended the introduction of targeted integrity testing at a Commonwealth level last year.

The power of integrity testing is that it puts fear in the mind of the corrupt. It is a psychological war against corruption.

They will need to think twice before accepting a bribe from a criminal because that criminal could be an undercover police officer.

The Committee made a number of recommendations regarding the form that Commonwealth integrity testing should take—and safeguards that should be included. I thank them for their work.

The Government accepted these recommendations, and this bill gives effect to this.

Only senior officers of the Australian Federal Police, Australian Crime Commission and Customs will be able to authorise integrity tests.

The Integrity Commissioner will also be able to authorise integrity testing to support a corruption investigation.

An integrity test will only be able to be authorised where the senior officer has a reasonable suspicion that an offence, punishable by at least 12 months imprisonment, has been or is likely to be committed.

Integrity testing is not ‘entrapment’ or ‘inducement’.

The inherent principle of integrity testing is that there be clear and equal opportunity for a person who is subject to the test to pass the test or fail the test.

Entrapment is where a person is induced to commit an offence that they would not otherwise have committed.

Tests will be carefully designed and carried out in a way which upholds this distinction.

It is important that, in conducting integrity tests, law enforcement agencies have available to them the full suite of covert powers that they otherwise have at their disposal for investigating serious and organised crime.

This was also recommended by the Parliamentary Joint Committee as part of its inquiry.

For this reason the bill contains amendments to the controlled operations provisions in the Crimes Act and to the Telecommunications (Interception and Access) Act and Surveillance Devices Act to ensure these powers are available in an integrity testing context.

The use of these powers will remain subject to existing safeguards.

**Expansion of the Australian Commission for Law Enforcement Integrity’s jurisdiction**

Second, doubling the number of law enforcement agencies covered by the Australian Commission for Law Enforcement Integrity.

The Australian Commission for Law Enforcement Integrity was established in 2007 to...
detect, disrupt and deter potential corruption in Federal law enforcement agencies.

It currently oversees the Australian Federal Police, the Australian Crime Commission and Customs, and deals with corruption issues from the former National Crime Authority.

This bill extends the jurisdiction of the Australian Commission for Law Enforcement Integrity to cover the Australian Transactions Reporting and Analysis Centre (AUSTRAC), the CrimTrac Agency, and prescribed staff members in the Department of Agriculture Fisheries and Forestry.

These law enforcement agencies should be subject to the additional oversight that the Australian Commission for Law Enforcement Integrity provides.

The work performed by these agencies also makes them a target of organised crime.

ACLEI’s new jurisdiction will commence on 1 July 2013 to enable appropriate compliance and administrative arrangements to be put in place prior to this occurring.

The Government will also provide the Australian Commission for Law Enforcement Integrity with additional resourcing to meet the costs of this expanded jurisdiction.

In February this year the Minister for Justice also commissioned a review of the first year of the Australian Commission for Law Enforcement Integrity’s oversight of Customs.

The Government received the report from this review in April.

It recommended:

1. That ACLEI explore the scope for seconding suitably senior and experienced staff from law enforcement agencies to assure ACLEI maintains up-to-date major investigation experience and expertise
2. That the Integrity Commissioner continue to build an understanding among ACLEI staff of ACLEI’s role and the need to work jointly with other agencies
3. That ACLEI establish a regular forum for relevant Customs and ACLEI staff to meet to discuss integrity issues
4. That funding go towards completing ACLEI’s information management project within the next 12 months
5. That ACLEI work with Customs on communications and training strategies around increasing awareness of ACLEI’s role and improving lessons learned from current integrity investigations
6. Measures to refine ACLEI’s processes for managing and investigating integrity matters referred by law enforcement agencies.

The Government has agreed to all of the recommendations made in the report.

As a result of this review, the Government has also doubled the annual funding provided to the Australian Commission for Law Enforcement Integrity for its work in overseeing Customs, to allow it to undertake further significant activities in prevention and case work.

**Strengthening of the powers of the Chief Executive Officer of Customs**

Third, the strengthening of the powers of the Chief Executive Officer of Customs.

In February this year the Minister for Justice also wrote to the Commissioner of the Australian Federal Police, the CEO of the Australian Crime Commission and the CEO of Customs and Border Protection outlining my expectations in detecting, disrupting and preventing corruption.

The Minister for Justice also asked for their advice about further action that needs to be taken to strengthen the corruption resistance of Commonwealth enforcement agencies.

The agencies have responded with the following anti-corruption measures.

**The Australian Federal Police are:**

- Working with ACLEI to develop a strategic intelligence assessment of corruption risks within ACT Policing;
- Working closely with ACLEI and the Commonwealth Ombudsman to continue to develop a better understanding of roles and responsibilities regarding prevention, detection and response to integrity issues;
• Working with the Commonwealth Ombudsman to improve the timeliness of investigations into integrity issues; and

• Continuing to develop its capability including recruitment screening, targeted drug testing and alcohol screening, and early intervention.

The Australian Crime Commission is:

• Expanding random drug and alcohol testing to all staff;

• Reviewing fraud and corruption risk assessments and plans; and

• Developing additional training tools to assist staff in apply their integrity and anti-corruption responsibilities.

Customs and Border Protection has conducted a review of their integrity framework.

This was completed in June.

It recommended a range of reforms to strengthen Customs’ anti-corruption culture, prevent corruption and weed it out.

This includes:

• Establishing a Support and Referral Network similar to the Australian Federal Police’s ‘Confidant’ model. This will provide a facility for staff to readily access support, advice, and the ability to come forward with information about corruption and criminal behaviour.

• Enhanced tools to ensure Customs select appropriate staff, and mechanisms to prevent corrupt behaviours emerging right through the employment cycle;

• Increased education and guidance for staff, including the development of a ‘Customs and Border Protection Officers Handbook’ as the core reference document for all staff.

This bill contains additional measures focused on improving the integrity culture within Customs.

Criminals and organised crime groups are always changing.

As they change, our law enforcement agencies need to change as well.

Customs and Border Protection are an important part of this.

Their work is just as important as the work done by the Australian Federal Police and the Australian Crime Commission.

And they are just as likely to be targeted by organised criminals.

That is why it is essential that they have the same powers and tools to tackle corruption and weed it out.

This bill contains a series of measures to bring Customs and Border Protection’s powers to act against corruption and misconduct into line with the Australian Crime Commission and the Australian Federal Police.

This includes:

• the power to authorise drug and alcohol testing;

• the power for the Customs CEO to make an order declaring that the termination of an employee was for serious misconduct; and

• the power to issue orders including mandatory reporting requirements, whereby staff members will be required to report any suspected misconduct.

The Australian Federal Police and the Australian Crime Commission both currently undertake drug and alcohol testing.

Officers of Customs and Border Protection operate and respond in similar surroundings to officers of these agencies.

It is essential that they also be subject to the same standards of integrity.

Drug and alcohol testing will first focus on high-risk areas of Customs, including where officers perform similar functions to and work in close proximity to other law enforcement officers who are subject to drug and alcohol testing.

Officers that are under the influence of drugs or alcohol not only pose a safety risk to co-workers – they are also potentially a target for organised crime groups that are seeking to infiltrate law enforcement.

An officer using illicit drugs may be willing to undertake ‘favours’ for crime groups in return for the supply of illicit drugs.

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CHAMBER
Identification of this behaviour is an important part of improving corruption resistance and tackling organised crime.

The bill will also provide a new power for the CEO of Customs to make a declaration, following the termination of a staff member’s employment, that the termination was for serious misconduct.

The effect of this declaration will enable the terminated employee to be immediately removed from the workplace.

Judicial review will remain available to terminated officials under the Administrative Decisions (Judicial Review) Act, whereby the Federal Court can consider the lawfulness of the CEO’s decision.

This power replicates powers currently available to the heads of the Australian Federal Police and Australian Crime Commission.

It is not a power that will be exercised lightly, and will be reserved for serious cases of misconduct.

The decision made by the CEO will follow assessment and advice from a panel independent of the CEO.

The bill will also provide an ability for the CEO of Customs to issue written orders to staff requiring them to report any suspected instances of misconduct.

It is important that law enforcement agencies develop a strong culture of resisting corruption.

Corruption can thrive in an environment where it is the norm to turn a blind eye to misconduct.

This measure will ensure that where an employee of Customs observes an incident which may involve misconduct, he or she is in no doubt as to what the appropriate action should be.

**Conclusion**

This is a major package of reforms to target corruption – and give our law enforcement agencies the power to prevent it from happening, and when it does happen – weed it out.

As I said earlier, there is no place for corruption in the public sector.

I choose these words carefully. There is a darker side of the human condition that is vulnerable to corruption. Our job is to make the public sector as corruption resistant as it can be.

That’s why the Government have made this a top priority.

This is the first tranche of reforms that the Government will bring forward.

There is more work to do.

The Government is working on those reforms now and will bring those reforms forward when they are finalised.

**SUPERANNUATION LEGISLATION AMENDMENT (NEW ZEALAND ARRANGEMENT) BILL 2012**

This bill amends various taxation and superannuation laws to introduce a voluntary scheme for Australians and New Zealanders to permit them to transfer their superannuation savings between Australia and New Zealand.

This new scheme will permit Australians and New Zealanders who have lived and worked in both countries to make the most of their retirement savings.

The Australian Government is committed to the closest possible relations with New Zealand. In 2009 the Government and the New Zealand Government signed a Memorandum of Understanding to develop a Trans-Tasman Retirement Savings Portability Scheme. The scheme is scheduled to commence on 1 July 2013 and is expected to assist the thousands of Australians and New Zealanders who move across the Tasman each year. The New Zealand Parliament passed the legislation necessary for the new scheme in 2010.

Currently, Australians and New Zealanders working in Australia must leave their superannuation behind when they permanently leave Australia.

More than 50,000 New Zealanders moved to Australia last year, while about 14,000 people left Australia permanently for New Zealand.

In 2007, a Working Group of Australian and New Zealand officials was established to investigate options for the portability of retirement savings between Australia and New Zealand.
On 16 July 2009, the Australian and New Zealand Governments jointly announced the scheme and signed a Memorandum of Understanding establishing the scheme and outlining its working arrangements.

Consistent with the Memorandum of Understanding, this bill will permit the transfer of retirement savings between APRA regulated Australian superannuation funds and New Zealand KiwiSaver schemes.

New Zealanders who move to Australia will be able to transfer their New Zealand retirement savings to Australia and add them to their Australian superannuation benefits.

Similarly, Australians moving to New Zealand, and New Zealanders returning home, will be able to take their Australian benefits with them, to consolidate with their New Zealand retirement savings.

As the scheme is voluntary, Australians and New Zealanders can leave their superannuation behind, if they wish.

Superannuation is to be transferred tax free between Australia and New Zealand, although New Zealand transfers into the Australian superannuation system are subject to the contributions cap arrangements, consistent with the terms of the Memorandum of Understanding.

In general, the tax and superannuation laws of the host country will apply to the transferred savings, with a couple of exceptions where source country rules will apply. These exceptions are designed to preserve unique features of each country’s retirement savings system.

The portability scheme enhances the development of a seamless trans Tasman labour market, by removing an impediment to labour mobility between the two countries.

The introduction of the scheme is an important step in our closer economic relations with New Zealand, and supports ongoing progress toward a single economic market. Both Governments are committed to this goal through the Australia New Zealand Closer Economic Relations Trade Agreement.

At a personal level, the scheme will enable Australians and New Zealanders to streamline their financial affairs when they move across the Tasman. Individuals will be able to consolidate their superannuation in their country of residence, and avoid paying unnecessary fees and charges on multiple accounts held in the two countries.

This is the first time an international superannuation portability scheme has been implemented in Australia and is another important Gillard Government measure to improve the efficiency of Australia’s world leading superannuation system.

Full details of the measure are contained in the explanatory memorandum.

I commend this bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Edwards) (17:47): In accordance with standing order 111, further consideration of these bills is now adjourned to the first day of the next period of sittings, which commences in 2013.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (17:47): I move:

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

Question agreed to.

Australian Charities and Not-for-profits Commission Bill 2012
Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012
Second Reading
Debate resumed on the motion:

That these bills be now read a second time.

Senator BOYCE (Queensland) (17:47): I am pleased to have the opportunity to continue my remarks on these bills. I was in the somewhat unusual position of being a member of the two committees that inquired into the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-Profits Commission (Consequential and Transition) Bill 2012—that is, the Joint Committee on
Corporations and Financial Services and the Senate Standing Committee on Community Affairs. I feel that I certainly have had the opportunity to see quite closely the potential for the operation of these bills.

As I noted earlier, we are in the bizarre position where Senator Xenophon has found it necessary to seek an amendment to these bills, asking the government to introduce legislation detailing the definition of 'charities' and of 'charitable purposes' in the legislation. One thing that we were assured of by Treasury, by the ATO and by others involved in the inquiries that we had was that the organisations involved—the charity sector, the not-for-profit sector—had been fully consulted at all stages in regard to the development of the commission.

It beggars belief, in my view, that this can be claimed when we still have the situation where we do not know what 'charity' means to the government and what is going to be covered by this. Certainly, there is a small group of quite large organisations that are currently under the aegis of the Australian Taxation Office that will be initially covered by this legislation. However, we have this assurance about all the wonderful consultation that went on and yet, even at this late stage, we have concerns from large numbers of small organisations, in particular, about this legislation and about whether it is going to achieve anything.

The preamble to the Australian Charities and Not-for-profits Commission Bill 2012 states:

It is important that a national regulatory system that promotes good governance, accountability and transparency for not-for-profit entities be introduced to maintain, protect and enhance public trust and confidence in the not-for-profit sector.

As I outlined earlier, there is currently no problem with the public trust and confidence in the not-for-profit sector. They are a very strong and trusted part of our civil society. The coalition members of the corporations and financial services committee certainly do not accept that the current Commonwealth regulatory regime, which is based on ASIC and ATO regulation, is broken and we do not, therefore, agree that there is a premise for a new regulatory super megastructure to take that up.

We are also not at all persuaded by the government's view that this reform will reduce the regulatory burden on the sector, because, as I said earlier, many of the charities and not-for-profits that are currently regulated by state and territory governance are fine with the degree of regulation that they have. They are operating well. This government has seen fit to do all this consultation, apparently, allegedly, with all the groups in the sector but not with the state and territory governments, the people being asked to handover their regulatory powers in this area. They may well be happy to get out of the sector, but there is nothing in what this government has told us to suggest that there will be an improvement in the degree of red tape.

The laudable aim of the Australian Charities and Not-for-profits Commission is that once you are ticked off as a suitable charity or a not-for-profit by the ACNC, you would not have to register with anyone else, any other agency or any other government department. In practice, the odds of this happening of course are very low. This government's history of negotiating agreements through COAG would not make you believe that anything like a smooth and simple agreement is going to be developed by this organisation.

We already have the situation where 90 staff are to be hired by the Australian Charities and Not-for-profits Commission. Yet, during the inquiry we were told that
there would be no need for the charities commission to have a large staff or a large budget because the Attorney-General's Department would supply their back-office administration needs. How can you have it both ways? Why on earth do you need 90 staff to look after a couple of thousand national charity organisations, if you do not even need those staff to do the basic administrative tasks and that is to be left to the Attorney-General's Department? In doing that, you would have to wonder about the independence of the Australian Charities and Not-for-profits Commission. You have to worry about its independence if the Attorney-General's Department is dotting the i's and crossing the t's.

The coalition absolutely support a reduction in red tape in this sector. We also support anything that will efficiently assist to improve governance and other standards within the not-for-profit sector. On that basis, we would support the establishment of a small charities commission, the sort of thing that the government tried to suggest was what they first had in mind that would provide education and training, especially about governance and other regulatory issues required for the not-for-profits to meet their goals.

The way the government has structured this will mean the Australian Charities and Not-for-profits Commission will have more power than ASIC in how it perceives mistakes or problems by anyone who acts as a director or a committee member. The bill gives the ACNC power to deregister any organisation if it is conducting its affairs in a way that may cause harm or jeopardise the public trust and confidence in the not-for-profit sector. 'Public trust' and 'confidence' have not been defined. The witnesses indicated this would lead to uncertainty and the possibility of expensive litigation to clear up the meaning of these expressions. This happened, for example, in the UK when the Charity Commission proposed that independent non-government schools would only qualify for charitable status if they offered bursaries to poor pupils. That was overturned but only after expensive litigation through the courts. This sort of philosophical undermining of how charities work, this idea that the government can control what charities do by sleight of hand, is quite frightening.

These bills are supposed to stop red tape and provide a one-stop shop whereby charities do not have to register with three or four different organisations every time they want funding. I would like to point out the situation with non-government schools. Despite the alleged reduction in red tape, even if this bill were to be successfully passed, even if the state and territory governments were to agree, non-government schools would have to report not only to the ACNC but also to DEEWR, in accordance with their funding agreements and the School Assistance Act; to ACARA, the Australian Curriculum, Assessment and Reporting Authority; My School data collections; and to state and territory government minimum standards and reporting requirements for registered schools, including financial accountabilities. That does not sound to me like a very large reduction in red tape.

As the government set this out, what was going to happen was that a small commission would work as an assistance to the not-for-profits. What we have primarily ended up with is a situation of policing and enforcement. The commission will have the power to investigate any breach of the law and to remove a responsible person. Yet there has never been any evidence put forward about non-compliance that would suggest that the commission should have more power to remove people from boards of
governance or from management committees than ASIC has to remove company directors from these groups.

We also have the situation that, in the main, small organisations are driven, staffed and supported by volunteers. What volunteer in their right mind is going to get themselves involved in a governance situation that (a) is unclear and (b) where more time is spent worrying about ticking boxes and filling in forms than it is in actually providing charitable services? Why would anybody do it? This has certainly been a major concern of many of the witnesses to the group.

Father Brian Lucas from the Catholic Church has said:

Much has been said about the need for reduction of red tape. That was very much the rationale that led a number of the various government inquiries to recommend a national regulator. You will have heard, I am sure, that there is still concern in many sectors that particular legislation that we are now dealing with does not bring about the reduction of red tape that was envisaged.

Mission Australia said that they remain concerned that the bills as drafted are more prescriptive in certain areas and do not reflect sufficient work having been done by federal agencies to reduce red tape and duplication. They also suggest that there are concerns about ensuring the independence of the charity and not-for-profit sector.

The Australian Catholic Bishops Conference said that they are:

... sceptical about the wisdom of accepting an initial increase in red tape—

which this commission will be—

in the hope that it may be reduced in the future. The ACBC looks to the Commonwealth to obtain assurances from the states and territories and a published timeline committing to a reduction in red tape at the national level.

Further, the ACBC:

... remains concerned the legislation ... does not reduce red tape and in fact increases red tape for the sector.

Of course, they point out:
This is contrary to the stated objectives of the legislation.

I do not think anyone should be surprised that this government manage to come up with legislation that is contrary to its stated objectives, because I think their objectives are not transparent and not accountable for in the way that the government would like to have people believe.

I asked a number of questions during the inquiry on the topic of the consultation that had gone on, and I was assured that there had been lots of it. I asked for evidence of this. There was not any. There was no evidence. Certainly the larger groups, such the Red Cross and others, said, 'Yes, we were consulted.' Where was the evidence that smaller groups, the sorts of groups that we all know hold our communities together—the small groups that work in footy clubs, disability areas and right across the board; charitable areas of all sorts—had been consulted? The answer was, 'They have'.

We had a submission from Mr John Church, who shared our concerns. In his submission he said:

The Government in the explanatory memorandum (some 325 pages) says it will consult with stakeholders and peak bodies yet as no analysis has been done of the small organisations to see if they are represented by peak bodies. This is the usual mishmash of philosophical skulduggery and overblown regulation that one has come to expect from the Labor government, and the coalition will not support these bills in this form.

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (18:04): I grew up in a family that said that you only introduce laws if common sense
fails. In this particular circumstance, of course, we have seen the reverse of that. We have seen a circumstance in which laws are being introduced because there is no common sense pertaining to this issue associated with the proposed Australian Charities and Not-for-profits Commission. It is very disappointing that once again we see this Labor government adopt the sort of philosophy that can only ever be seen to push people down, to remove their innovation and to remove the very interest that attracts them to charities and not-for-profits in the first place.

The old saying with Labor governments is: 'If it moves, tax it'—although, with the Minerals Resource Rent Tax, that did not work to any great extent. But, if it still twitches, of course they try to regulate it and, if there is still any life left in it, they nationalise it. That is where we are with the National Broadband Network—or, as somebody said to me the other day, a term which I cannot use here in the Senate describing the fact that they were not getting much of a service from it. But, I can say in Melbourne Cup season—and Senator Payne should take note here—that, if Red Tape is running in the Melbourne Cup on the 6th, whatever you do, Senator Payne, you will not be able to get on it because, as we know, the Labor Party will have a huge amount of money on Red Tape.

The Australian Charities and Not-for-profits Commission Bill 2012 goes to the heart of what is essentially Australian—that is, volunteerism. If you take our country, opposed to most other countries in the world in which I have lived and worked, you will always find that it is volunteerism that stands Australians apart. Why is it that we are always able to shake ourselves off after an emergency or a disaster and get about and solve problems? It is not because of red tape. It is not because of regulation, nationalisation or whatever else. It is the ultimate spirit of Australians, of the mateship that says there is a need and we will get on with it. The charitable and the not-for-profit sector in this country has been born out of that essential Australian spirit.

The one thing Australians will not accept is this across the board, one-size-fits-all approach, as we see in this particular case with the proposed Australian Charities and Not-for-profits Commission. What is it actually doing? It is forcing charities to adhere to a raft of new tax and compliance requirements, dissuading people from becoming involved in charities, as Senator Boyce was just saying, and turning them away from donating.

The timing is never good, but if ever there is a bad time to introduce this it is leading up to Christmas, when we know so many people are in desperate need of assistance and support from groups like Anglicare, St Vincent de Paul, the Smith Family and others. All of a sudden they see this whole new bureaucracy coming into existence, and for what purpose? Where is the demonstrated need across the board?

We all know very well that of the 600,000 not-for-profit entities in this country about 10 per cent of them—just under 60,000—are charities, and a significantly large number of them enjoy tax deductible status. Everybody is aware that if an entity enjoys tax deductible status then there should be processes in place to make sure that the taxpayer's interests are well met and that audit processes are in place. Those who are found to be in default either in the terms of reference under which they exist or in the collecting of funds enjoying tax deductibility, if they are not being spent for the purpose for which they are stated, or if there is evidence of fraud or corruption going...
on, then they must be dealt with, and everybody would expect them to be. But you do not vilify the vast majority of those organisations with this sort of legislation.

The ACNC will be forcing many charities to submit annual information statements for the first time. These are groups of volunteers—well-meaning people who might have come together to run an opportunity shop, for example. All of a sudden they are being required to submit annual information statements if they enjoy some form of tax deductibility status.

This goes to the whole question of governance. The cost to charities will be huge. The Baptist ministries initially estimated that the ACNC would cost Baptist churches across Australia an extra $1 million in compliance. They are, with deep respect, not the larger of the churches, and that $1 million should be going straight to the very people who need their assistance, and we know that in this world today that level of assistance is deserving and required.

Look at the penalties—the ACNC will ramp up penalties for things that go wrong. Australians currently donate $14,600 million per year to charities. Very often it is people's after-tax money. It is the funds they have available to them, and they donate them. It would be most interesting to try to calculate the actual dollar value of the time spent by volunteers in charities and not-for-profits around Australia. Somebody should do that work, because most of us in this place, or linked to it, are or have been involved in volunteer organisations—contrary to what Senator Singh had the audacity to say in this place this afternoon, vilifying this side because, according to her, we do not know what the volunteer sector is all about. Contrary to that statement, I would say, generously, that all of us in this place are or have been associated with volunteer organisations. We know how much time is expended, and we know the value of that time.

I come back to that $14,600 million. This legislation proposes that volunteer board members could be held personally liable in cases of management malpractice, and there will be the introduction of exorbitant fines as penalties on well-meaning volunteers. As others here this afternoon have said, who would donate their time and their expertise, possibly in their early retirement or in their transition to retirement, at a time when they can give the benefit of that expertise? Who is going to put their own family assets and their own wellbeing at risk when facing the possibility of penalties because they are a board member of a charitable or not-for-profit organisation? We all know that these sorts of measures are not going to stop the baddies from doing what they do. We know that decent rules applied to those who are at risk or who are found to be not compliant is the best way to deal with them.

This is about the damage that this will do to charities. It is about the bungling over the issue of getting the states and territories on board. After all this so-called consultation we have one state—South Australia, your own home state, Acting Deputy President Edwards—which has come on board. As we know at the moment, states and territories are intimately associated with the conduct of the charity and not-for-profit sector. I for one, being from a state well away from where the eastern states' decisions are made, fear the deterioration and the dilution of influence in the event that state and territory organisations are not associated with or involved in the process.

To take one example, according to what we have read in relation to this legislation the government will be increasing taxation of the earnings of not-for-profits that are
deemed to be nonaltruistic—in other words, those who might not be doing something for the benefit of the heart, or for the good will. Who decides the altruism or nonaltruism of that not-for-profit organisation? It has not yet even been communicated to the charities what is considered to be nonaltruistic and what is considered to be altruistic. To make matters worse, the increased taxation is to be applied retrospectively. We are in the scale now where it is possible that these taxes are being elevated.

We all know that the role of government, if it has one in this at all, is to step well back and encourage the not-for-profit and charity sector to get on with the work in which so many people are so engaged and so committed—that is, to get on and serve those who are in need. As was put to me only this afternoon, the main concerns regarding the Australian Charities and NFP Commission Bill of those in the not-for-profit charitable sector are:

… that it will increase regulatory requirements, red tape on charities, concern that there is no clear evidence of achieving harmonisation with the states, no clear line of reporting, no clear definition of charities and unrelated business tax. This person, who is well experienced in the industry where he has been for most of his professional life, goes on to say it is bad legislation.

… all those concerns need to be ironed out first. The feeling is that the government is trying to push through legislation just to be able to say it has done something.

This legislation principally goes to a lack of trust of those people who are involved in the sector.

Let me for a few moments reflect on who they are and what sorts of people they are. Reference has been made to groups like bushfire brigades and the State Emergency Service, lifesaving organisations, the Country Women's Association. Take the CWA and bushfire brigades out of the small rural communities of Australia, and I assure you the foundations on which those communities exist would fall apart. You ask whether it is reasonable that a person or people who volunteer their time for absolutely essential emergency and related services to their communities are now going to find themselves the subject of this sort of legislation and restrictions being placed upon them. We know of groups such as independent and Catholic schools. There is a circumstance in which this commission, with powers probably in excess of those of ASIC and other agencies of government, could potentially have directors removed. If somebody is a member of a school board, that person might find the commission starting to dictate who can and who cannot be a member of the school board.

I say to you again, Acting Deputy President Edwards, be under no illusion. Everybody on this side of the chamber and indeed the whole chamber would be of a mind that where there is corruption, where there is fraud, where there is mispending of moneys, particularly those relating to the taxpayer of Australia, we would expect the highest levels of probity and audit processes. But you do not get that with what you would have to call overkill, something that will destroy trust and add immeasurably to the cost of the not-for-profit and charitable sector. I come back to churches. The Uniting Church has said in regard to this legislation:

It is important to recognise that the introduction of any new reporting obligation on congregations, no matter how minor, will be another layer of legislative obligation and reporting for local members who are generally neither skilled nor trained for the burden.

Surf Life Saving New South Wales made the observation:

… reducing red tape by reducing duplication of reporting requirements and assisting the
efficiencies of the sector, however this will not occur without the involvement of the states and territories to align reporting requirements with the ACNC reporting framework.
We have not yet seen that.

People listening might say: 'Is it a free-for-all at the moment? Is there no regulation? Is there no oversight?' Of course, there is. We have a group called the Australian Tax Office, a fairly important organisation in this country. It is a group with the most incredible powers, as indeed it should have. The ATO can make sure that those who are responsible for reporting do so in a timely and accurate fashion. The ATO has all the capacity in the world to chase any area of fraud or corruption. We also have ASIC, a second body, the Australian Securities and Investment Commission. This body has a smaller role in the regulation of the sector at Commonwealth level, nevertheless it is an agency that is already in existence. As we know, we have state authorities. I will not repeat this to any great extent, but we could find ourselves in a circumstance where an organisation has to report not only to several different agencies of governments of different scales, be they local, state or federal but also different government departments. It is simply untenable, it is unconscionable and we know how costly it is. We also know that every dollar spent on this sort of exercise is one that ultimately does not go to the people for whom it was intended.

I conclude my comments with some insights from the long- and well-established law firm Clayton Utz, made only in the last couple of days. They have raised concerns that despite several rounds of so-called consultation, a punitive tone has found its way through this consultation process. They say there is little assurance that the ACNC would work with charities to improve their operations. These are not my observations, they are not the coalition's observations, they are from the words of Clayton Utz. They make reference to the burden of responsibility of annual information statements and financial reporting obligations that would be prohibitive for many of these not-for-profit, volunteer, charitable organisations. They speak of the need for the public register which would increase transparency. That is all well and good, but where does it stop? Where do privacy laws come in? They refer to directors liabilities, the regime governing personal liabilities of directors of not-for-profit and charitable organisations. They raise some concerns in that space, as indeed they should. They talk about the Corporations Act amendments that would be necessary for this legislation to have effect. They speak of enforcement powers, the ACNC having extensive powers of enforcement to ensure compliance of registered charities, including the ability to give directions to charities and even suspending or removing directors or trustees.

The last point I wish to reflect on is that associated with what they have referred to as the 'in-Australia requirements'. These requirements relate to organisations whose main activity may be in Australia but these organisations contribute overseas, such as Red Cross, if we all think back to the natural disasters in Italy when vast amounts of money was paid to the Red Cross. I think of the tsunamis and the earthquakes affecting the countries to our north in recent times. I contribute—as many others do, I am sure—to an organisation called Caritas. Caritas, whilst it does great work in Australia, also expends funds overseas to assist those who are in need in the event of emergencies. So all of a sudden we are going to find a whole new raft of compliance because of the 'in Australia' requirements.

When Australians volunteer, when Australians donate, when Australians see
support go to those who are in need, what they actually want governments to do is to help the process and not hinder the process. And I fear very much that this legislation, if it is allowed to pass in the fashion that it has been presented in this place, will only hinder rather than help.

Senator PAYNE (New South Wales) (18:22): I seek this evening to reiterate the coalition's opposition to the government's proposed new regulator for charities and the not-for-profit sector. The Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transition) Bill 2012 is not actually legislation for which I had envisaged I would be participating in the debate. But, over recent times and at a number of community events, concerns have been raised with me by representatives of organisations which will find themselves swallowed by the behemoth of the ACNC when it is created. Their concerns are legitimate. Their concerns go to the sorts of issues both Senator Back and Senator Boyce—whom I have had the opportunity to hear here this afternoon—have raised within the chamber.

It is not often that you are at a community event on one issue and then find yourself approached on a diametrically different piece of legislation—such are the concerns that are apparent at the community level. Mostly I find—and I am sure this is the case for other senators too—that an event occurs and you pass through. But this particular piece of legislation—at the grassroots, with the small organisations to which Senator Boyce referred—has raised so many concerns that you see coalition senators, in particular, here today raising those concerns and raising the sorts of issues that these organisations are exemplifying regarding how the day-to-day operations of their organisations will be made much more difficult by this legislation.

They are concerned that this legislation will not reduce red tape—a concern also shared by the coalition. It seems to me, on a reading of the legislation and of the material associated with the legislation, that the community sector is almost looked at as untrustworthy—like there is some massive ill to cure but there is no evidence of what that massive ill is actually supposed to be. The implication that one reads in the material is that there is some taint attached to the people involved. In my experience—and I think overwhelmingly in the experience of the Australian people in communities from one end of this nation to the other with the sorts of volunteers to which Senator Back referred—that is not the case.

We as a parliament should not be seeking to enact legislation that hinders the activities of charities and not-for-profits across the sector; we should in fact be seeking to facilitate their more effective operation. We should be seeking to cure an ill if it is there but not with a sledgehammer. You do not need a sledgehammer to crack a walnut. We do not want to be in a position, I would not have thought, to discourage the involvement of people in civil society. But from the concerns many organisations have raised in making submissions to inquiries within this area, it seems to me that that is exactly the result we are going to have.

The sector has been very vocal in opposing the government's creation of this big new regulator, and there are a couple of comments to which I would like to refer because they do in fact come from participants in areas of my portfolio responsibilities. For example, the Housing Industry Association, which made a substantial submission, said that they consider that the 'regulation of charities should be on a completely separate basis from the regulation of other NFPs. They go on to say:
HIA also considers that NFPs which are companies should continue to be regulated by ASIC.

Treating all NFPs in the same way as charities is inappropriate, as most NFPs are of a fundamentally different nature to charities. While both charities and NFPs are expected to act in the public interest, or in the interest of a section of the public, charities go further and receive and spend public donations, while NFPs do not.

Mission Australia, also a significant participant in my portfolio, says the bill 'is not sufficiently well balanced by a commitment to enable the not-for-profit sector to reduce duplication of reporting and to provide public confidence in the sector' and that 'it may be very hard for smaller organisations to understand the implications and respond in the time frames outlined in the draft legislation.' They go on to say:

A genuine process of broad consultation and proper use of the advisory mechanisms will yield good results that will meet the needs of the sector and the broader Australian community. Mission Australia would have concerns if the Government failed to properly commit to and resource this consultation process.

So if you do not want to listen to the people over here—and I understand the process of politics; it is kind of a mutual process in that regard—then listen to the people who are actually running the sorts of organisations that are going to be covered by this great big new regulator.

What the government ought to be doing is getting out of the way of civil society and allowing them to operate appropriately and competently and to help each other—not creating a roadblock for civil society. A number of eminent Australians and people who are known as philanthropists—or big V volunteers is perhaps another way to put it—are also concerned at the capacity this legislation has to discourage people from being prepared to volunteer. I refer in particular to Mr David Gonski, who is a life fellow of the Australian Institute of Company Directors and, amongst other things, is well known to all of us for his extraordinary work in the not-for-profit and charitable sector and even assisting governments with things like the recently produced Gonski report. Mr Gonski said:

I am very concerned that what is put in some parts of the bill in fact will not support nor sustain a robust, vibrant and independent sector.

He went on to say:

It concerns me massively that we might be the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

These organisations rely on people with business experience, with legal experience, with financial experience, who are professionals in their own communities to give their time, so often pro bono, to make those sorts of contributions—and those are the sorts of concerns of which I think we should take note.

Let us come to the matter of COAG and the states and territories. Generally speaking—and Senator Back has also referred to this in his remarks this afternoon—the states have not exactly shown a great new enthusiasm for the creation of a new regulator. They have not agreed to hand over powers in any large respect with regard to incorporated associations or fundraising, so that does put in a new regulator as another layer of red tape. The contributions of a number of organisations on this issue are also apposite. As the Chairman of Mission Australia, Ewen Crouch, has indicated:

... without State support and further progress through COAG, a less than optimal national regime would result with ongoing duplication and inconsistencies in regulatory treatment across jurisdictions.

If people do not want to hear from people from that area, what about an organisation like Micah Projects, an organisation which
does some very important work across a number of areas but, in my own portfolio area, in homelessness to home support services and in the support of housing services. They are very concerned that, when the ANC begins regulation, there is a risk of an additional reporting burden for registered charities as states and territories are yet to commit to harmonisation. This will be particularly problematic for small and medium-sized organisations who direct a large proportion of their revenue to fulfilling the organisation's mission as opposed to funding administration. Micah Projects is further concerned that the proposed three-tiered reporting system will expose large inequities in capacity to meet reporting requirements in the third tier, the annual revenue of $1 million or more.

What we see is extremely influential, extremely prominent and, on the other hand, small but nevertheless important operations in this sector who are raising concerns about the detail of the government's legislation. I was very concerned to hear from a member of the committee, Senator Boyce, this afternoon, that, in response to her questions in relation to consultation across the sector—not just in relation to smaller participants—the committee was unable to be provided with evidence of that consultation. This is the fabric that binds Australia's voluntary sector together: the small organisations, the gems that we all have in our community that sit there and do their work quietly, unassuming, without need for credit and without any need for this sort of onerous regulation. What we should be doing is trusting the voluntary sector. This approach from the Labor government threatens the cornerstone assumption of that trust. It creates legislation that assumes that there is a very big ill that needs to be cured. Quite simply, they have not provided the evidence of that. We as the coalition support a smaller commission that focuses on innovation, on education and on advocacy that is responsive to the sector. Our approach is to actually cut red tape—such as our proposal in the family services area, where contracting reforms will make it much easier for agencies in civil society.

There are so many aspects of this legislation which are of concern, but the reality is that on the street, day to day, in the organisations that matter in this country, the concerns are real and they are ongoing. It is incumbent on the government to acknowledge those concerns and to review their legislation in a way that meets those concerns and does not establish the massive burden that this legislation will place on organisations such as those to which I have referred from the community.

**Senator McKenzie** (Victoria) (18:33): I rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Not-for-profits Commission (Consequential and Transitional) Bill 2012. The government believes that Australian charities and not-for-profit organisations must be part of a strong, resilient sector and sees these bills as a way to help it thrive. Sounds great. Charities and not-for-profit organisations provide, as we all know, for those in our community who are less fortunate—who may struggle with the demons of addiction, who need help to take a positive step in life, who need food, shelter and warmth. Additionally, these organisations may assist young people to learn a new sport or assist migrants to integrate into regional communities. These types of organisation operate in all communities, large and small, and provide a range of services.

The desire to give and expect nothing in return is part of our Judeo-Christian heritage and is probably one of the finest hallmarks of
the human spirit. There are approximately 600,000 organisations in the not-for-profit sector, of which it is estimated that around 400,000 may access the Commonwealth tax concessions—and it seems as though there has been a review for each and every one of them. Reviews on the sector have been many. Over nearly two decades, there have been six separate reviews, including the inquiry into the definition of charities and related organisations in 2001—I know issues of definition were raised earlier in this debate—and the 2009 report on the contribution of the not-for-profit sector.

The bills before the Senate today seek to establish the Australian Charities and Not-for-profits Commission. The commission will be run by a commissioner and an advisory board of experts whose role it is to provide guidance to the commission. The role of the commission will include the development and maintenance of a register of not-for-profit organisations. Registration will provide not-for-profits with access to a range of taxation concessions, including an income tax exemption, deductible gift recipient status, refundable franking credits, fringe benefits tax and goods and services tax concessions. It will also allow for monitoring of their operations—always get concerned when you read that—with a wide range of information stored (in this day and age, who knows where and how) and made available. Not just contact information but also details of an organisation's governing rules, financial and information statements will be made available on the internet. There will be a new reporting framework and registered entities will have to provide an annual information statement. However, there is no evidence that this monitoring will produce any positive results other than increasing the burden of red tape and making life more difficult for those in our communities who are working hard to try to help others.

We in the coalition believe the government should let these organisations do what they do best, which is help people in our communities. Labor is creating a roadblock for the operation of charities and the not-for-profit sector and for people's involvement in this type of work. In essence, the coalition opposes the government's proposed, to coin a phrase, 'great big new regulator' for charities and not-for-profits because it will not reduce red tape as it seeks to do. It treats the sector as untrustworthy and the people involved in it as tainted. These people are pillars of our local communities. They are pillars within our local churches and they are selfless in giving up their own time. For the assumption to be that they are doing something wrong is rude in the extreme. It will hinder the activities of charities and not-for-profits and will discourage involvement in charitable work. Most people choose to volunteer in these types organisations because they enjoy the interaction with the people that they are assisting and working for, not because they want to sit at a desk and fill out more forms.

We want people to volunteer. More than six million people volunteer Australia-wide and contribute over 700 million hours of community service each year. That is a good thing. That is indicative of a healthy, functioning society. When there are six million people donating 700 million hours to community work it means that the government is not in that space. That has to be a good thing. We want them to work for the betterment of our communities and to help others. Without those volunteers, it is fair to say that many schools, clubs and not-for-profit organisations would struggle to run, particularly in regional Australia. We want to make it as easy as possible for volunteers. We do not want them turned
away from the sector because the organisation they wish to volunteer for is deterred by the heavy-handed power and penalties in the bills before us today. To the people who deliver Meals on Wheels and those who give service to the local op shop: your community needs you to continue to contribute.

There will be conditions attached to the registration of not-for-profits, including that they meet the prescribed definition of a charity. The bills aspire to promote the reduction of red tape for not-for-profit organisations. However, regarding the evidence I received as a member of the Community Affairs Legislation Committee, which conducted an inquiry into these bills, I did not hear a lot of charities or not-for-profits proclaiming the reduction of red tape as result of these bills.

Charities and not-for-profits are already struggling to meet the demands of government when it comes to red tape. This should be the bills' No. 1 priority: to take the scissors to these burdensome requirements. Programs including drug and alcohol counselling, family violence prevention, family education and parenting training cannot afford to be tied up with red tape when the community needs the service personnel and the volunteers on the ground, not chained to a desk filling out paperwork. This issue is exacerbated in really small towns. There is a saying, 'SOS', around the volunteering aspect of our community groups. SOS stands for the 'same old six'. It is the same old six people in these small towns who are doing a variety of jobs in different organisations. They are doing the canteen at the footy on Saturday, they are shaking the tin for the Red Cross on Monday, they might be delivering Meals on Wheels on Tuesday, and they might be hearing some reading on Thursday. The same old six are doing it over and over again and the red tape is taking them out of the front line of service delivery.

In a submission before the House of Representatives Standing Committee on Economics inquiry on this legislation, Robert Wicks from the Anglican Church Diocese of Sydney suggested that an extra staff member would have to be hired to deal with the issues thrown up by these bills. That is extra fundraising for the auxiliary. The resources will go to red tape, and that is what the not-for-profit sector will have to look for, not good work.

Mission Australia seems to have hit the nail on the head when, in its submission to the Senate inquiry, it stated: Our overriding concern is that rather than reducing red tape and compliance burden, the ACNC—the Australian Charities and Not-for-profits Commission—will add another layer of compliance and that nothing will be taken away.

Government has increasingly reached into the affairs of these agencies, imposing more and more burdensome contractual and reporting requirements. These bills will further see people taken off the front line of help and support. Put simply, bureaucracy is burdensome. Government contractual and reporting requirements cost agencies a significant sum of money to administer. Much data is collected but little is ever used. Many agencies have multiple contracts with government, with different requirements, obligations and reporting structures. Agencies continue to expend valuable resources on meeting these requirements that could be better spent on providing services and funding innovation.

Additionally, state governments have said they will not agree to give the powers over to the commission. Again, the empire building nature of this government and its Green...
partners continues to operate in their reality that does not recognise that we live in a federation. Riding roughshod over states and territories does not work. It must stop across a whole variety of issues we discuss in this place. Instead of reducing red tape, the government is actually creating an extra layer as not-for-profits will still have to report to state and territory governments. The Greens and the government are not listening to stakeholders. I heard Senator Boyce's comments and, similarly, Senator Payne's.

The Australian Conservation Foundation, in its submission to the House of Representatives Standing Committee on Economics, said:

… ACF is concerned that rather than remove duplication, the ACNC Bills—

the Australian Charities and Not-for-profits Commission bills—

will duplicate reporting obligations.

I wonder what impact that will have on the ACF's action out there in the community on conservation issues.

In my patron electorate of Bendigo, where we have over 600 not-for-profit charities operating, from church groups to football clubs and lots of school groups, the Foundation for Rural and Regional Renewal is concerned about duplication. The foundation does not want to see further duplication of state and federal requirements, especially when not-for-profits still need to obtain fundraising permits in each state.

I attended the sleepover at St Luke's Anglicare, where, in an effort to get the community leaders together in Bendigo, we all either slept under some cardboard or in a tent. I obviously did not sleep under cardboard; I chose to be in a tent, thank goodness. People had a variety of options on where and how they were going to sleep for the night, in an attempt to raise awareness of those sleeping rough in the Bendigo community. St Luke's is a great local not-for-profit organisation. It operates right across central and northern Victorian towns. It has expressed concerns over the bill's impact on attracting directors. We struggle out there in the regions to get the breadth of expertise to our not-for-profit governance structures. St Luke's is also concerned about the liabilities associated with this. They said:

There are already challenges associated with attracting board members to not-for-profit organisations and perhaps the bills would enhance this difficulty.

In its submission to the House of Representatives committee inquiry, YouthCARE had similar concerns:

The bill in its current form will place responsibilities and penalties on not-for-profit and charity board members that would be greater than those found under Corporations Law.

Among the Charities and Not-for-profits Commission's heavy-handed power it can remove a director. In his submission before the House of Representatives inquiry, David Gonski, of the Australian Institute of Company Directors, a man highly respected by the current government—highly respected in principle, that is, if not financially supported—stated that Australia may be the first country:

… to make being on a not-for-profit as a director more onerous than being on a for-profit.

Thank you, Mr Gonski.

The Australian Charities and Not-for-profits Commission also needs Commonwealth departments to either hand over their regulatory power or harmonise their regulatory requirements. An information-sharing agreement must be reached; otherwise independent schools will be required to report much of the information they are already reporting to DEEWR to the ACNC and state education authorities. Senator Back mentioned this earlier in his
contribution. As the Independent Schools Council of Australia pointed out in its submission to the House of Representatives committee:

Requiring independent schools to report similar but different data to the ACNC is duplicating effort and adding to the red tape.

Over and over again we hear from a variety of players in the sector that this is onerous and is not actually achieving the objectives of the bill as aspired to by the government.

In my opinion, it is unlikely a student's education is going to be improved by forcing independent schools to report similar but different data. In reality, it will only take teachers away from the task at hand: educating students. Having been a teacher, I am acutely aware of the paperwork already involved in that role. It seems that, no matter which part of the charities and not-for-profits sector is making comment, concerns around duplication is becoming an established theme. Is the government listening? I do not think so. The consultation process, or lack thereof, is also becoming a hallmark of this Labor government across a variety of supposed policy initiatives. Stakeholders report the consultation process was excessively secretive and unnecessarily rushed. Join the queue! They can join the concerned citizens of the Murray-Darling Basin, the apple and pear growers in north-central Victoria and, more recently, potato growers, who also feel the government's consultation processes are in need of much improvement.

The government has said that the focus of the commission will be on education and guidance, helping not-for-profits. However, it will have a range of enforcement tools at its disposal to use if required. We go back to mandatory reporting and someone to watch over you. When you hear 'enforcement tools' you have to get a little concerned. These tools have raised the concerns of the sector agencies, who have stated that they are inconsistent and overlap state and territory legislation. Different levels of compliance will also be required according to the size of the organisation over three tiers: small entities earning less than $250,000, medium entities earning between $250,000 and $1 million, and large entities with revenue of over $1 million. There is some consternation in relation to the size of these entities, other definitions and the way the industry operates. It has been estimated that 45 per cent will have to report at the higher two levels. Medium to large entities will have to provide annual financial reports, with large entities to have their reports audited. But it is up to the Australian Charities and Not-for-profits Commissioner—

Debate interrupted.

DOCUMENTS

Consideration

The following orders of the day relating to government documents were considered:


Mid-year economic and fiscal outlook—2012-13—Statement by the Treasurer (Mr Swan) and the Minister for Finance and Deregulation (Senator Wong). Motion to take note of document moved by Senator Bushby. Debate adjourned till Thursday at general business, Senator Bushby in continuation.


The following general business orders of the day relating to government documents were considered:

Addendum.

—Motion to take note of documents moved by Senator Bushby. Debate adjourned till Thursday at general business, Senator Bushby in continuation.


General business orders of the day nos 7, 8, 10, 13 to 37, 39, 40, 42 to 47, 49 to 51, 53 to 57, 59 and 61 relating to government documents were called on but no motion was moved.

Export Finance and Insurance Corporation

Senator RHIANNON (New South Wales) (18:56): I move:
That the Senate take note of the document.

The minister tabled the EFIC annual report for 2011-12 yesterday. It is important to note from the report that the EFIC financed up to $1 billion worth of projects in the year 2011-12. However, it is questionable whether this money is well spent in the interests of the Australian economy and the developing countries that are affected by these projects. From the report, $195.5 million of the $1 billion facility provided by EFIC are given to the small and medium-sized enterprises. That means that close to 80 per cent of the project financing by EFIC is used to support large corporations. This looks more like a corporate welfare program than what EFIC is meant to do, which is support the growth of the export industry. Large corporations which EFIC supported have the financial wherewithal to seek financing from banks and other financial bodies. The report released by the Productivity Commission in June this year has shown that most of the time a large corporation seeks help from EFIC because it is convenient and cheaper to do so. This does not mean that there is a market failure with regard to export financing that warrants EFIC’s intervention. More often than not the high cost of financing for these large firms only reflects market value. Large corporations can afford them but choose not to and as a result it overcrowds EFIC's financing, which resulted in close to 80 per cent of their financing going to large corporations.

The Greens argue that this is unacceptable. Why is Australian public money going to loans given to large corporations that do not need help in the first place? Shouldn’t EFIC support more small and medium sized enterprises in their financing? SMEs are more sustainable economically because they are adaptable and home-grown and bear the potential of being a huge source of employment for the economy. Despite the benefits associated with supporting home-grown SMEs, they receive less than 20 per cent of EFIC’s financial support. This may be brought about by a couple of reasons. It may be because the application process for EFIC funding is prohibitively difficult for SMEs to gain approval, or it may be that the application processes are systematically biased towards large corporations. Hence it is important that in light of this report the government reviews the EFIC financing process and addresses the stark imbalance between the amounts of money SMEs get compared to the large proportion received by large corporations.

Another major concern that the EFIC annual report failed to address adequately is the environmental and social impacts of the projects it financed in developing countries. This is particularly worrying as it is disclosed in the report that 60 per cent of the financing is given to the mining industry. EFIC says that it advances corporate responsibility and puts in place safeguards to manage the environmental and social impacts of the projects it finances overseas. However, there are major concerns by civil society organisations, like Jubilee Australia, that the safeguards that mining companies and EFIC say are in place are in fact inadequate.

Take, for example, the Oyu Tolgoi mines project, a mine owned by Rio Tinto, which is a category A project under EFIC. Insufficient time was given by EFIC for the civil society organisations to canvass the project impacts. This mine is in Mongolia, and while there was some extension of time, certainly from reports I received, many organisations still regarded it as inadequate.

Another controversial project which EFIC supported is the LNG project in PNG. That has been reported extensively, and it again highlights the problem that EFIC is
confronting when it moves in to provide the assistance to mining companies.

The annual report reflects on the reputation of EFIC. There is a need for greater transparency of EFIC's corporate safeguards. More explanations and more readily accessible reports need to be disclosed by EFIC. We need greater oversight of EFIC and the projects that it supports. I feel that this annual report does not answer substantially the impact EFIC has on low-income countries with respect to environmental and social impacts.

Question agreed to.

**Australian Government Solicitor**

**Annual Report for 2011-12**

**Senator BUSHBY** (Tasmania—Deputy Opposition Whip in the Senate) (19:01): I move:

That the Senate take note of the document.

**Senator BRANDIS** (Queensland—Deputy Leader of the Opposition in the Senate) (19:01): I want to say a few words about the annual report of the Australian Government Solicitor. In particular, I wanted to refer to the appearance of the Australian Government Solicitor and officers of the Australian Government Solicitor before the Senate Legal and Constitutional Affairs Committee estimates hearing in the week before last when for quite a period of time I asked questions about the litigation brought against the member for Fisher, Mr Peter Slipper, by Mr James Ashby, a person who alleges with particularity to have been sexually harassed by the member for Fisher.

I should say that I took the trouble of writing to Mr Govey, the CEO of the Australian Government Solicitor, the week before estimates to indicate to him that I wanted officers of the AGS who had knowledge of the conduct of the litigation on behalf of the Commonwealth to be present because, as you know Mr Deputy President, the Commonwealth was a party to the litigation until it settled on 27 September. And an extraordinary thing happened: officers of the Australian Government Solicitor were present in the committee room. In particular, the senior legal officer with the principal conduct of the case, a man called Mr Damien O'Donovan, was present. The CEO of the Australian Government Solicitor, Mr Ian Govey, was present and at the table but, deliberately and advertently, for a period of more than two hours, the secretary of the department, Mr Roger Wilkins—plainly acting on instructions from the minister, the Attorney-General, Ms Roxon—refused to allow Mr Damien O'Donovan to respond to questions from the opposition, and effectively refused to allow Mr Govey, who was actually at the table, to respond to questions from the opposition.

**Senator Payne:** It is.

**Senator BRANDIS:** This was extraordinary, and as a former chair of that committee, my distinguished friend Senator Payne points out to me, that is extraordinary in her experience too. Plainly, the government was seeking to cover up something of which it was deeply ashamed, as well it might have been.

We reached the absurd position where I asked a series of questions of Mr Roger Wilkins, the secretary of the department, who had no idea what the answers were—nor would he have had reason to, not being responsible for the conduct of this litigation—and he had to beckon Mr Damien O'Donovan to the table so that Mr Damien O'Donovan could whisper in his ear and he could then relate to the committee what Mr O'Donovan, sitting in the committee room himself, and with all the answers in his possession, could have told us directly. It
was a solemn farce and a disgrace to the process.

I am convinced that Mr Damien O'Donovan would not have risen to the relatively high office he holds in the Australian Government Solicitor unless he was a very good lawyer. And he would not have been put in charge of this litigation unless he was a very good litigator. And yet this litigation on behalf of the Commonwealth was conducted bizarrely. The only explanation is that it was conducted under political instructions by the Attorney-General who, as the evidence came out, micromanaged that litigation. And that is a disgrace and a very, very poor reflection upon her.

It was also revealed during evidence that no fewer than 17 solicitors in the Australian Government Solicitor were engaged in the litigation, and it was said—

Senator Payne: 17!

Senator BRANDIS: Yes, 17, Senator Payne. It was said that only four of them were engaged full-time. A few days after the estimates hearing was completed, the committee received a clarifying letter from the Australian Government Solicitor to say that it was not actually 17, it was 21! Now, if there were any doubt that this case was conducted politically rather than appropriately according to appropriate model litigant guidelines, ask yourself this question, Mr Deputy President, which we, the opposition, have asked on notice: how many other sexual harassment suits has the Commonwealth responded to in the last several years? And in how many of those sexual harassment suits were 21 solicitors engaged, including four solicitors engaged so that was their principal work? This litigation was conducted politically by an Attorney-General who does not know how to behave properly. (Time expired)

Senator FIERRAVANTI-WELLS: (New South Wales) (19:06): I too rise to take note of the annual report of the Australian Government Solicitor and to echo the comments that have been made by Senator Brandis in relation to the conduct of this matter. As I indicated at estimates when Senator Brandis was questioning Mr Govey and Mr Wilkins in relation to this matter, I have never in my whole 20-year association with the Australian Government Solicitor witnessed something of this nature. To have 17, 18, 19, 20 lawyers involved in the case is absolutely exceptional and then to have the matter settled for a mere $50,000 deserves comment.

What was also very pertinent was when the Australian Government Solicitor read out the list of officers involved in this matter, it actually read like a who's who of the Australian Government Solicitor and the who's who of senior legal people in this country. They are very highly respected lawyers. It actually goes to show the extent of the advice that was provided in relation to this matter. It was exceptional. To see people like Robert Orr and Tom Howe, highly respected lawyers, and Simon Daly whom I have worked with and know and respect, being involved in this matter goes to show the extent of the advice that this government got, and they cannot say—

Senator Brandis: How vulnerable they felt—

Senator FIERRAVANTI-WELLS: They felt very vulnerable, thank you, Senator Brandis. I was most interested to see that some of the lawyers involved were in the mediation area. It would be very interesting to know when those lawyers actually provided that advice, Senator Brandis. I would also invite Mr Govey to respond to my request to lay to rest any criticisms by providing to the Senate committee with the
timesheets so that we can look at the work that was done in this matter and see how much of that work was necessary and how much was not done for legal purposes but for political purposes. Most importantly, we could see at whose instigation it was worked on and whether the instructions actually came directly from the Attorney-General, just to see the involvement that Attorney-General Roxon had directly in this case.

During my time as a government lawyer, yes, we did have highly political cases. Yes, we did have instances where there was political involvement. But it was done through a particular process. It was done through the department and through the appropriate areas of the department. Those timesheets would actually show the direct involvement that the Attorney-General may have had in relation to how she managed this case in what was really a personal attack on Mr Ashby. Senator Brandis has canvassed various aspects of the conduct of this matter.

How can the Attorney-General argue that they had a case and it was necessary to engage a raft of lawyers to continue to fight this case when they knew back in May about the text messages? Even if they had not read substantially all of them, it would have been sufficient to tell them that they had legal problems. So, as Senator Brandis has correctly said, a lot of that legal advice went to canvass all options including political options and the legality of those political options to see how far they could continue to try to create as much political advantage as they could. I seek leave to continue my remarks.

Leave granted, debate adjourned.

ADJOURNMENT

The DEPUTY PRESIDENT: Order! I propose the question:

That the Senate do now adjourn.

Huawei

Senator BERNARDI (South Australia) (19:12): I rise to speak on the recent Investigative Report by the United States House Permanent Select Committee on Intelligence on the US national security issues posed by Chinese telcos, including Huawei. This report was released three weeks ago by Chairman of the House Intelligence Committee, Mike Rogers, a Republican, and Ranking Member, CA Dutch Ruppersberger, a Democrat.

Let me state for the record that Australia welcomes Chinese investment and it welcomes Huawei to Australia. However I am concerned at Huawei's attempts to gloss over this report as well as the reasons for Huawei's exclusion from Australia's NBN, which were based entirely on national security. Huawei's local spokesman, Jeremy Mitchell, tweeted:

… it's all politics. Why is it UK agencies happy for their PM to meet Huawei CEO and huawei deliver their NBN for last 7 years?

Indeed Huawei has made much of its involvement with Britain's National Broadband Network. The truth is that Britain has tried to address security issues by limiting Huawei's access to its infrastructure and evaluating its equipment and software before it enters the infrastructure.

The US House Intelligence Committee report states that, as part of an overall mitigation strategy the British government entered an agreement with Huawei to establish an independently managed Cyber Security Evaluation Centre. The report says:

The goal of the British government is to attempt to lessen the threat that Huawei products deployed in critical UK telecommunications infrastructure pose to the availability or integrity of UK networks.

Huawei has proposed similar schemes for products entering the United States market.
and only last week Huawei's Australian chairman, Rear Admiral John Lord, in a speech to the National Press Club, proposed the creation of a cyber-security evaluation centre for Australia.

According to the US House intelligence committee report:

For a variety of technical and economic reasons, evaluation programs as proposed by Huawei ... are less useful than one might expect. In fact, the programs may create a false sense of security that an incomplete, flawed, or misapplied evaluation would provide …

Unfortunately, given the complexity of the telecommunications grid, the limitations of current security evaluation techniques, and the economics of vendor-financed analyses provide a sense of security but not actual security.

For detailed reasons outlined in the US intelligence committee report, I believe Australia should reject Huawei's proposal for a national cybersecurity evaluation centre for Australia. Indeed, Britain's Parliamentary Intelligence and Security Committee has confirmed it is reviewing the presence of Huawei in regards to critical national infrastructure and whether this should give rise to concern.

Australians should be cognisant of the findings of the US Intelligence Committee. After extensive interviews with company and government officials, submitting questions, requesting documents and an open hearing, the committee found that:

Huawei did not fully cooperate with the investigation and was unwilling to explain its relationship with the Chinese government or Chinese Communist Party, while credible evidence exists that it fails to comply with US laws.

According to the committee, Huawei's repeated failure to answer key questions or support their answers with credible internal evidence—in short, their obstructionist behaviour—makes addressing these national security concerns a national imperative for the US.

Huawei admitted that the Communist Party of China maintains a party committee inside the company, but it failed to explain its function or membership, simply stating that all Chinese companies are required to have such committees. This was a key area of concern to the US intelligence committee because of the opportunity for the Chinese state to influence Huawei's expansion into critical US infrastructure.

During the US intelligence committee's hearing, Mr Ding from Huawei suggested he did not understand and had no knowledge of the term 'national champion', used to describe favoured Chinese companies which act to expand China's influence and prestige. The committee found that Mr Ding's response was not credible. Huawei even blamed the use of the term 'national champion' in a slide presentation at Capitol Hill in November 2011 on a third party it said created the slide.

But this was not Huawei's evidence to last month's Parliamentary Joint Committee on Intelligence and Security where Rear Admiral Lord said:

As far as being the national champion, it is recognition. There is no title and no certificate; we have never been given a trophy. It is something the company is proud of in that it has gone from US$3,000 in 1987 to a US$40 billion revenue company now, and it is innovative.

The US intelligence committee found that Huawei failed to answer key questions or provide supporting documentation for its claims to be financially independent of the Chinese government, although it admits its customers receive billions in support from Chinese state owned banks and that it had received favourable loans from Chinese banks for years.
Huawei denied doing business with the Iranian government but refused to provide any internal documents relating to its decision to scale back operations in Iran. Huawei stated that it did not allow employees to engage in population monitoring but refused to answer detailed questions about its operations in Iran or other sanctioned countries or provide evidence to support its claims that it complies with all international sanctions.

The committee found that Huawei's corporate history indicated ties to the Chinese military and that Huawei failed to provide detailed answers about those connections. Huawei refused to provide details on its R&D programs, while other documents undermined its claim that Huawei provides no R&D for the Chinese military or intelligence services. The House committee received internal Huawei documentation from former Huawei employees which appeared to show that Huawei provides special network services to an entity the employee believes is an elite cyberwarfare unit within the PLA.

The committee received multiple, credible reports from former and current Huawei employees which provided evidence of a pattern and practice of potentially illegal behaviour by Huawei officials in the US. Those allegations include immigration violations, fraud and bribery when seeking contracts, discriminatory behaviour against non-Chinese employees and a pattern and practice of Huawei using pirated software in its United States facilities. These and other alleged violations are being referred to the Department of Homeland Security and the Department of Justice.

Further, I understand that a second phase of inquiry is expected because 'dozens and dozens' of new complaints have emerged about Huawei following the intelligence committee's 11-month investigation. Going to a key concern of the House committee's findings in the unclassified section of its report, I quote:

Inserting malicious hardware or software implants into Chinese-manufactured telecommunications components and systems headed for US customers could allow Beijing to shut down or degrade critical national security systems in a time of crisis or war. Malicious implants in the components of critical infrastructure, such as power grids or financial networks, would also be a tremendous weapon in China's arsenal.

Malicious Chinese hardware or software implants would also be a potent espionage tool for penetrating sensitive U.S. national security systems, as well as providing access to the closed American corporate networks that contain the sensitive trade secrets, advanced research and development data, and negotiating or litigation positions that China would find useful in obtaining an unfair diplomatic or commercial advantage over the United States.

For all the above reasons, the US House intelligence committee recommended that US government systems, particularly sensitive systems, should not include Huawei equipment, including in component parts, and, similarly, that government contractors, particularly those working on contracts for sensitive US programs, should exclude Huawei equipment from their systems. It strongly encouraged private sector entities in the US to consider the long-term security risks associated with doing business with Huawei for equipment or services. It also strongly encouraged US network providers and systems developers to seek other vendors for their projects. The House intelligence committee stated that, based on available classified and unclassified information, Huawei could not be trusted to be free of foreign state influence and thus posed a security threat to the United States and its systems.
In recent years Huawei has attempted to gain a profile and acceptance in Australia by appointing an Australian board, sponsoring the Canberra Raiders and appearing at the National Press Club. Huawei's presence in Australia is to be welcomed. However, at the same time, the Australian government and industry should be aware of the potential issues that this raises.

Anti-Poverty Week

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:21): I would like to talk about poverty and its impacts on our community. This year, Anti-Poverty Week helped to focus attention on the growing number of people in our community who are entrenched in poverty, while also highlighting how the government's policy that keeps unemployment payments so low has created a vicious cycle that makes it even harder to get into secure work and helps to entrench poverty. Unfortunately, the government and the coalition marked the lead up to Anti-Poverty Week by voting together to drop the income of 150,000 single parents by up to $100 a week as part of a cost-cutting scheme to deliver a so-called budget surplus for the 2013-14 financial year.

Given that this government has pursued policies which undermine our social security safety net, it is not surprising that at least five new reports came out, either during Anti-Poverty week or in the lead-up to it, warning that many in our so-called lucky country are falling further and further behind and into poverty. A common thread throughout these reports was a sense that the benefits of the boom have not flowed through to everyone in our community, particularly some of our most vulnerable people. Emergency relief agencies reported that a significant proportion of the people accessing their services are single parents, while a report released by FoodBank just a month and a half ago found that some agencies had reported an increase in demand for its services in excess of 30 per cent on the part of low-income and single-parent families in the preceding twelve months. This seems to me a clear indication of what has happened to those single parents who have already been subject to the Welfare to Work regime introduced by the Howard government. In other words, they are the people who are having to access emergency relief services.

The most recent social security legislation, which was just passed by the government and coalition, has moved another 150,000 parents—the single parents who were grandfathered from the first round of changes to Newstart—onto Newstart. At the same time, during Anti-Poverty Week, reports such as Anglicare's When there's not enough to eat painted a picture of a society where poor nutrition, skipping meals and hunger are increasingly common. Anglicare's report found that 45,000 of the households using its emergency relief services were unable to properly feed their families.

I will read some quotes from real-life accounts of families who participated in Anglicare's face-to-face survey. One person said:

I reckon it does mentally and physically get you down. It gets to the stage where you can't think. It makes me want to burst into tears. It's very hard. It affects you very badly. You think of yourself as a failure. Sometimes you just want to go to sleep and never wake up.

Another one said:

You can't see straight. I've become suicidal over food. You don't have energy. You start getting stomach pains. You get to a point where you do not feel like eating anymore because you become nauseous and stressed. Sometimes you can go two or three days without eating.

That is just a small sample of responses by Anglicare's clients on not having enough to...
eat. Three-quarters of the adults participating in an Anglicare's survey said that they had run out of food in the last three months and could not afford to buy more, seven out of ten adults said that they had cut the size of meals and six in ten said that they were regularly skipping meals altogether. Clearly, people—including children—are going hungry with little hope of a change in their circumstances.

Evidence from another report released during Anti-Poverty Week, ACOS's Poverty in Australia, demonstrated the strong link between poverty and unemployment. It said that 63 per cent of people in unemployed households lived below the poverty line. Similarly, Anglicare found that 77 per cent of households with no-one in paid employment were food-insecure. ACOS reported that 25 per cent of single parents and their families lived below the poverty line and that almost 600,000 children lived below the poverty line. This is not surprising, given that Newstart, our main source of income support for the unemployed—and now single parents—is more than $130 below the poverty line and only rises in line with CPI, which does not reflect the real cost of living for low income households.

The Cost of living report 2012 by WACOSS—the WA Council of Social Services—found that the weekly income of single-parent families and unemployed singles is approximately $30 below the level needed to maintain a basic standard of living and to buy the basic necessities. WACOSS found that the resilience of households on low incomes is of concern, as tight budgets and little or no capacity to save means that WACOSS's model households are at significant risk of financial crisis or unsustainable debt. WACOSS found that low-income households are spending less on food than they need to ensure a healthy and nutritious meal plan. WACOSS's analysis of current food spending patterns against the costs of a healthy meal plan suggest that WACOSS's model household needs to spend two per cent to three per cent more on food—that is, between around $400 and $1,400 per annum more, depending on household size—to meet the requirements for healthy nutrition. When WACOSS looked at unemployed singles, it was found that they were most at risk of poor nutrition. WACOSS said, that the community also needs to be concerned about the long-term consequences of children growing up with food stress and inadequate nutrition. Households on low and fixed incomes were more susceptible to rises in the costs of essential items such as housing, food, utilities and transport than those on medium and higher incomes, who benefit more from decreases in the cost of discretionary and luxury items.

When households are in financial stress, WACOSS said, the first symptoms are often utilities hardship—because power and water bills are large, intermittent and unpredictable—and food stress, when cheaper, energy-dense foods with poor nutrition are bought. So, if the rent goes up or if there is a bigger than expected phone or power bill, people have to cut down on food or miss meals. Food is a 'discretionary' item in that people have control over how much they spend on it. The evidence presented by Anglicare, FoodBank and others demonstrates that living in poverty and going hungry are not just about going without but have other consequences, such as social exclusion, isolation, depression, embarrassment, a sense of shame and a loss of self-respect. In the quotes I read out earlier, there is a very strong sense of social exclusion, isolation, embarrassment and depression. Thirty-eight per cent of households surveyed by Anglicare said that
their children were regularly not eating enough. These children are likely to become more isolated, less engaged at school and are less likely to complete their education, which is well established as a barrier to secure work.

It is clear that poverty and its associated impacts are yet another barrier to engaging with the workforce. It affects how people function, their capacity and their self-esteem. Trapping people in this cycle through pitifully low social security payments will never, ever contribute to getting people into secure work and jobs that lift them out of poverty. There is a strong social and economic advantage to reducing poverty, increasing the level of education and employment in our community and reducing the barriers to employment.

We believe an increase in Newstart is a modest way of starting to address the issues associated with poverty and income inequality. At the same time as the other reports were released, evidence came out from Professor Wilkins that showed an increase in the Gini coefficient in this country—in other words, an increase in inequality. Again, inequality is associated with the issues that I have been talking about. Social inequity is growing as well, leading to a number of other social problems.

We believe we need a solid investment in income support and associated services such as employment services. And yes, this will cost money. But in the bigger picture we will reduce demand on our social security system, increase workforce participation and reduce poverty. That seems to be far more valuable than going for a razor thin surplus in the next budget and it seems a much more worthwhile investment in our future.

**Australian Labor Party**

**Senator CASH** (Western Australia) (19:31): I rise tonight to speak on the contemptible behaviour of the Labor Party in relation to the demotion of Senator Penny Wong to the No. 2 position on the South Australian Senate ticket behind one of the faceless men, widely known in Labor circles as 'the Godfather', Senator Don Farrell. Of course, in making my comments I note the curious twist in the saga today following the summoning of the Prime Minister by Senator Farrell to a meeting last night, at which he told her that he would relinquish the No. 1 spot on the South Australian Senate ticket, swapping places with his more senior colleague.

To understand the extent of the hypocrisy of Ms Gillard when it comes to her confected and politically opportunistic comments on sexism levelled against the opposition and the extent to which she is beholden to the faceless men of the Labor Party, you need to look at the history of the Senator Penny Wong affair. Senior Labor colleagues identified Senator Wong as a key cabinet minister. In fact the Prime Minister herself declared proudly yesterday:

I deliberately promoted Penny Wong into the pivotal position of Finance Minister, putting her at the centre of government decision-making and our economic team because I'm so admiring of her capabilities.

And yet this same Prime Minister was rendered paralysed and appeared to be left stranded between Labor's right and left factions when one of the senior faceless men of the Labor Party decided that he was to be promoted ahead of Senator Wong, a senior cabinet minister, on the South Australian Senate ticket.

Given that Senator Wong is a key cabinet minister, and given the Labor Party's history when it comes to extolling what can now only be seen as deliberate and malicious false accusations of sexism against the opposition leader, the Labor Senate leadership should have been ashamed of the
demotion of Cabinet Minister Wong. But they were silent. By their inaction, the Labor Senate leadership team made it clear for all to see that some people in the Labor Party clearly do have a problem with capable women and, further, that sexism is well and truly alive in the Labor Party. The Prime Minister's failure to stand up for Senator Wong also demonstrated that she was prepared to bow to the faceless men who got her the numbers to execute former Prime Minister Rudd and that she was determined to protect her prime ministerial job regardless of any harm or injury being inflicted on Senator Wong by her numbers men.

The members of EMILY's List, the Labor Party sisterhood, including Senator Wong herself, should have felt betrayed by Ms Gillard's inaction in the Senator Wong affair. After all, Ms Gillard has form when it comes to interfering in preselections. She intervened in a New South Wales preselection battle to protect one of her backbenchers, Laurie Ferguson. However, the Prime Minister's political reality, which she lives each and every day, is that because she was given the prime ministership by the faceless men of the Labor Party she blatantly refused to defend the demotion of Senator Wong or to stand up for one of her Labor left sisters. What does Ms Gillard's inaction say about Prime Minister Gillard? It says a lot, and none of it is good. Ms Gillard understands that her political reality is this: in Labor politics, the faceless men can give but they can also take back the spoils of political office whenever they feel like it.

Senator Wong's demotion to the second spot on the South Australian Senate ticket and the Prime Minister's failure to act proves that Ms Gillard does not really care about sexism and misogyny, despite attacking opposition leader Tony Abbott over the issue. All Prime Minister Gillard cares about is her own political future. The opposition has sustained a deliberate and malicious smear campaign in relation to Mr Abbott's supposed views on women by the Labor Party. However, the Labor Party's hypocrisy has now been exposed to the Australian community.

The Prime Minister's inaction at Senator Wong's demotion confirms the fact that the Prime Minister's indignation about so-called sexism was simply an artificially constructed political campaign designed to distract the Australian public from Labor's failed policies. This incident has highlighted for women and men across Australia the double standards and sheer hypocrisy within the Australian Labor Party. If there was any truth at all in the confected idea that the government thought misogyny or sexism was an important issue in Australia, Senator Wong would not have been placed down the ticket behind one of Labor's faceless men and Gillard's numbers man, Senator Don Farrell.

The media might like to ask the question: where were the women of the Labor Party, members of EMILY's List, on Senator Wong's demotion? Where was Minister Tanya Plibersek? Ms Plibersek is usually the first to give her opinion when sexism is conveniently alleged against the opposition, regardless of the truth of the allegations. Ms Plibersek was silent, without voice, because claims of sexism were overridden by base political convenience. The same can be said for Attorney-General Nicola Roxon and for Minister Jenny Macklin. Where is the Minister for the Status of Women, Julie Collins, and what about leading Left Senator Kate Lundy? The list goes on—

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! Senator Cash, I remind you to address members of parliament by their correct title.
Senator CASH: Leading Left Senator Kate Lundy, which is what I said. The list goes on and the silence is deafening. Labor's women are deliberately vocal when it comes to playing the gender card against the opposition but when it comes to the issue of misogyny over political convenience, political convenience will win every time in the Labor Party. The demotion of Senator Wong is proof that ‘the faceless men’ are still in charge of the Labor Party and because the Prime Minister's job depends solely on the faceless men, she will not and cannot take them on.

Prime Minister Gillard confirms by her failure to stand up for one of her own sisterhood and the person she spoke of yesterday in such glowing terms that the only reason she is the Prime Minister is that the role was gifted to her by the faceless men. The faceless men giveth and the faceless men can taketh. And if we needed any more proof that the faceless men of the Labor Party decide themselves the order of Labor's South Australian Senate ticket, we need look no further that what occurred last night. The Godfather himself, Senator Don Farrell, summoned Prime Minister Gillard to meet with him—

The ACTING DEPUTY PRESIDENT: Senator Cash, I remind you of standing order 193 and to refer to members of parliament in appropriate terms.

Senator CASH: Senator Don Farrell, who is known within Labor Party ranks as the Godfather, summoned Prime Minister Gillard to meet with him and at this meeting he told her that the faceless men themselves had decided the order of the South Australian Senate ticket and that this would change. And what does Ms Gillard do? Not a lot, because she can't; she has to accept the decision of the faceless men.

Prime Minister Gillard should clean up her own backyard when it comes to sexism before attacking Leader of the Opposition Tony Abbott and the Liberal Party. Australians have been witness to a Prime Minister who gave a contrived and confected speech in the parliament about her intolerance for sexism and misogyny, yet who had defended in the very same sitting, on the same day, her now ex-Speaker of the House, who had been caught out describing his disdain of women via filthy and repugnant text messages and who is now before the court's facing serious sexual harassment charges; a Prime Minister who spends months vehemently defending a member of her caucus who has been accused of misappropriating union members' funds to pay for prostitutes; and a Prime Minister who when put to the test refused to condemn the male bastion of faceless men or do or say anything in relation to the demotion of Senator Wong. This is gross hypocrisy at its very best.

The Prime Minister will now be remembered as the Prime Minister who let down the women of Australia when put to the test and abrogated her responsibility to show leadership by endorsing the demotion of a female member of her cabinet, only to be subsequently told by the faceless men that they had now decided that the order of the Senate ticket would change.

Perth Light Rail

Senator LUDLAM (Western Australia) (19:41): I would like to put some remarks on the record about a project which has been very close to my heart since my election campaign in 2007—that is, to bring light rail back to the streets of the City of Perth. Perth had an extensive tram network before the Second World War which was laid down in the last years of the 19th century and transported residents of Perth between the
wars. It was progressively neglected and dismantled and the last tram ran in the 1950s. Since then transport advocates across the city have been proposing to bring this much loved public transport mode back to the streets of Perth. So our campaign in 2007 built on more than a decade of work by the Greens WA, by local government authorities who are on the front line of traffic congestion and planning issues in Perth and by transport advocates like Professor Peter Newman from Curtin University, who has made it his life’s work to improve public transport and amenity for the residents of the City of Perth.

The state ALP, particularly Minister for Planning and Infrastructure Alannah MacTiernan, had a plan on the books for a short section of light rail east-west through the City of Perth just before the ALP lost government in 2004. We wonder what might have been had there not been a change of government at that time. We launched our plan in 2007 and it was deliberately ambitious. We made three main calls on state government and on political parties which were to make this a network for the whole city, not just Nedlands to Victoria Park but something that paid strong regard to the fact that transport vulnerability is greatest the further you get from the central business district, and that is not just a pattern of Perth but is notable of all Australia’s great cities. So we wanted a network that served the whole town.

The second call was that it should be powered by renewable energy. Electrified public transport, as is happening in other cities around the world, allows you to get not just out of oil but out of fossil fuel entirely. There are cities in Europe and North America that contract their entire electricity bill to wind developers and run public transport on the power of the wind.

Our third call was that this is urgent and that we cannot afford to wait decades to bring light rail back to Perth—we need this now. So we spent 4½ years working with local government authorities, particularly with WALGA, who have been great supporters of public transport. We have worked with transport advocates and academics. We have worked with industry and people who build these systems elsewhere in Australia and the world. We have worked with transport and planning officials in state government and we have worked with ordinary people—and extraordinary people—at public meetings and at every possible interaction and presentation around the City of Perth. And over four years we built the case. The reason we did that is that light rail is not just a transport mode. If you do it right, it can be a tool for community-building. Light rail can be a way of anchoring sustainable urban development that gets people free of car dependence, improves air quality and amenity, and gets the city moving. It can provide for a greater density of housing, which in turn can provide genuinely affordable housing, bringing people back towards jobs, services and transport rather than stranding people on the edges of our great cities, far over the horizon, and condemning them to transport vulnerability.

There is a reason why this technology is playing a central role in urban redevelopment all around the world, including, notably, here in Australia, the Gold Coast, Adelaide and Sydney; it is because of that city-building potential.

I am proud to say we succeeded. After many delays, the Premier of Western Australia announced a 20-year transport strategy—which, by the time it arrived, had been dubbed the ’19-year transport strategy’—and foreshadowed, as he put it, a ’decade of light rail for Perth’. The indicative
maps were something of a mixed bag. Part of Professor Newman's team's knowledge arc, the proposal to connect the two great universities of UWA and Curtin University with a link through the central business district and down to some of the large hospitals, is in the plan, as well as a northern spur through Mirrabooka out to Balga in Perth's northern suburbs, which are in fact extremely poorly served by transport at this stage. They got the tick, and that is worth acknowledging and celebrating.

But there was nothing proposed for the south or east of the city for decades to come. There was great work done by the cities of Fremantle, Melville and Cockburn, and I pay tribute in particular to the Mayor of Fremantle, Dr Brad Pettitt, who has done an enormous amount of work on ensuring that cities and local town centres do not plan light rail out of existence by planning away the all-important corridors that these vehicles will travel down. That great work in collaboration with other local government authorities looks like it has been disregarded for the time being. The huge planning effort put in by the Stirling Alliance, north of Perth, where they are proposing to create a second CBD, effectively, did not get a look in. So we still have a way to go. I am extremely optimistic that we will get these plans onto the books. We will get them linked into a light rail system. But we have got a lot of work to do yet.

Within a few months, Minister Albanese had pitched in $4 million to assist the planning effort, and it looked as though the project was set to get underway. And then, mystifyingly, the state government announced a four-year delay in the start of construction, saying that it would be 2016 before even stage 1 began. So on our three key priorities—a whole-of-metro strategy, a renewable power source and a sense of urgency—it looked as though we scored zero out of three. I understand why we cannot do it all at once, why we cannot simply build out hundreds of kilometres of light rail all at once, but we do need a phased metro-wide system that delivers for people well before the 2031 target date, which seems to be what the state government is hinting at. Certainly, in the draft transport planning documents that have been put on the table thus far, it actually tells most of the residents of metropolitan Perth that they are going to need to wait until the 2030s before they see anything more than an improved bus service.

In a recent budget estimates committee, however, the plot got much more interesting and actually gave me a bit of hope. Quietly, without so much as a Friday afternoon press statement, the Barnett government has made a funding application to Infrastructure Australia for a light rail project—not funding for a study but for a project. Our team has been advocating for that for five years, so it was a very sweet thing to have that established, but now I am even more mystified than before.

This is a good project. It is going to be very popular. It is going to get our city moving. I think it is the kind of infrastructure that, once it is built, we will look back and wonder how on earth we ever did without it. The politics of it are that this is a green transport project championed by the Greens WA, put into the ground by the coalition, and funded by an ALP minority federal government. Just for a change, everyone has a piece of this win. So why the Barnett government is being so coy about it is, I confess, something of a mystery, but the sooner we get this project started the better.

Parts of our great city, as with other Australian capital cities, are now paralysed by traffic congestion and it is becoming very difficult for people to even get to work. I can still remember, having been around and lived
in Perth for long enough, a time when peak hour only went for an hour. Now key parts of our city's freeway network are simply paralysed for hours and hours every day. The sooner we get started on this project and on the consequential changes that we will need to make to the bus network, the sooner we can get light rail into some of our higher-density parts of town and the sooner we will then be able to redeploy buses into areas further out and increase their frequency. That will increase patronage and the entire public transport network in Perth will lift. It is time to get on board and it is time Perth got its light rail system back.

Bilney, Hon. Gordon Neil

Millennium Development Goals

Senator McEWEN (South Australia—Government Whip in the Senate) (19:50): Earlier today, the Senate agreed to a condolence motion in respect of the late Hon. Gordon Neil Bilney. Gordon Bilney was the member for Kingston, in South Australia, from 1983 until 1996 and he was a fine representative of his state, as was attested to in the speeches today. He was also the Minister for Defence Science and Personnel from 1990 to 1993 and the Minister for Development Co-operation and Pacific Island Affairs from 1993 to 1996 in the Keating government. Prime Minister Keating was the first to create a ministry specifically dedicated to Australia's engagement with our Pacific neighbours, and Gordon Bilney was an admirable first occupant of that ministry. The combination of his Foreign Affairs background, his compassion and his commitment to the Labor principles of equality and equal opportunity ensured his success in that portfolio and ensured that Australia was very well regarded in the regions near to us.

Australia's current Labor government continue the Labor tradition of supporting our Pacific neighbours through application of overseas development aid. We are still committed to the principles of equality and equal opportunity. These are also the principles that underpin the Millennium Development Goals to which the member nations of the United Nations are all committed. We wish we were making better process in the achievement of the MDGs, but we continue to support them because we know that overall that is the focus we should be taking.

At a time when gender inequality is, appropriately, very much in the public debate here in Australia, it is worth reminding ourselves how gender inequality is writ large in other countries in our region. Women in the developing nations of the Pacific area suffer the effects of gender discrimination. They experience disproportionate levels of sexual and physical abuse, and some 60 per cent of women experience domestic violence. They are more likely than men to be illiterate and less likely to be in paid employment. Women-led households are poorer than those with a male present. Tragically, women in developing countries suffer poorer health outcomes and are 25 times more likely to die from pregnancy related causes than their sisters in developed countries.

In reflecting on the contribution that Gordon Bilney made to Australia's engagement with our Pacific neighbours, I was reminded that he was always a strong advocate for the right of women to access sexual and reproductive health services. He understood that a woman's control of when she had children was important not just to her family but to her economic and social wellbeing. He was proud that Australia supported the provision of overseas development aid for sexual and reproductive health programs in the Pacific region.
On 10 July 1993, Gordon Bilney issued a media statement which was headed 'Access to family planning is a fundamental human right'. He said:

"Australia's support for population programs is based on a firm commitment to the basic right of individuals to decide freely the number and spacing of their children.

"Through our support for the United Nations Population Fund and the International Planned Parenthood Federation, Australia helps promote informed choice and better services for the millions of people who do not currently enjoy this basic right.

He went on to say:

"We're ... stepping up our direct support to family planning in our region, for example with support for a major population and planning project in Papua New Guinea which includes training for health workers, technical assistance and support for non government organisations.

"Access to family planning services benefits the health and survival of women and children. Early, frequent and prolonged childbearing is directly linked with poor health and continuing high infant and maternal mortality.

It is salient to reflect, almost 20 years later, that access for women to adequate sexual and reproductive health services is still one of the issues that overseas development aid grapples with, but I am pleased that Australia is still committed to providing those services, particularly to our neighbours in Papua New Guinea and other countries in our region.

I note with some pride that Australia's commitment to our developing neighbours in our region continues. I was particularly pleased earlier in the year, in September, when the Prime Minister, Julia Gillard, announced a $320 million initiative to assist Pacific island countries to support women into decision-making roles and to promote gender equality. The Pacific Women Shaping Pacific Development initiative commences next year, and over the next 10 years it will assist in the provision of mentoring and training to female candidates and members of parliament to help women influence national and local politics and to run for office. It will assist in making markets safer places for women to work in and provide business training and better access to financial assistance for female vendors. That will support some 30,000 women who sell goods in markets. It will also help Pacific women to feel safer in the community by expanding services for victims of domestic violence. Funding will go towards health services, crisis centres and shelters, particularly in rural areas. Those are noble and wonderful objectives, and I am sure we all look forward to seeing that program rolled out to support women, in particular in the developing nations in the Pacific region.

I will just conclude on the issue of representation of women on decision-making bodies, particularly at local, regional and national levels, in the developing nations in our region. This is one of the most important things that we can do to support women. We need to have more women in positions of decision making in those areas. We know that women are woefully, woefully underrepresented.

I acknowledge and congratulate the three female representatives who have been elected in Papua New Guinea in the 2012 elections. I can only imagine how difficult it was for them to campaign there, let alone to actually win and successfully take their seats. It is truly heartening, and it is a testament to the support of many, many people who got those women into those places.

I also acknowledge the fine work of the Centre for Democratic Institutions, which is supported by AusAID and which equips female candidates with the skills they need in campaigning, including things like the
management of finances, organising a support team, public speaking and the rules of elections. I know that a mentoring program is being set up in this parliament to assist not just those women who have been elected to the Papua New Guinea parliament but all women candidates in the developing nations in our region. I know that many, many women in this chamber are looking forward to supporting women in our region to put their hand up for political office. We will be there supporting them through their campaigns and supporting them after they are elected. That indeed is a great thing. We know that, once we have women in positions of power, they will be able to assist other women to also put their hand up to take responsibility for power and to support themselves to address the insidious problem of gender inequality that continues in our region.

Melanoma

Senator BOYCE (Queensland) (19:58): My home state of Queensland very proudly labels itself the Sunshine State, but that sunshine is in fact a two-edged sword. We are the melanoma capital of the world. More than 430,000 Australians are treated every year for skin cancers, and people who live in Queensland have the highest rates of melanoma in the world. There are more than 10,000 cases of melanoma diagnosed each year in Australia, and 25 per cent of those cases come from Queensland.

Like many of my generation, I smothered myself in coconut oil and carefully rotisserie myself on beaches in my teen years. Now, of course, many of us are paying the price. But while most cases of melanoma can be treated successfully, the disease is still responsible for more than 1,500 deaths in Australia every year. It is not just my generation that is affected by melanoma; it is often a young person's disease. It is the most common form of cancer in Australia for people aged between 15 and 44.

Early melanoma is curable but later stages are more likely to be fatal. The average survival rate for patients with advanced melanoma that has spread is just six months, with a one-year mortality rate for 75 per cent of those affected. Melanoma incidence and mortality are both increasing, and that is despite greater awareness and education about the risks of sun exposure. We need to do a better job. We will also, for some years, bear the problem of earlier bad behaviour in the sun.

Despite the prominence and severity of melanoma to everyday Australian families, there is a notable lack of support, education and advocacy to represent the primary needs of melanoma patients at a national level. That is why I want to speak about an organisation called Melanoma Patients Australia, which is responding to the unmet needs of melanoma patients and their families across Australia and working with people with melanoma overseas.

Melanoma Patients Australia's mission is to provide members with access to a community of peer support, information, inspiration and hope, and to build a national voice for melanoma patients throughout Australia. Its website contains the usual sorts of details but also information about clinical trials that are underway. They have a forum where people post stories about their experiences and about the treatment they received. The stories are encouraging, supportive and are an excellent source of information for people who want to learn about melanoma. There are quite a lot of comments on the website from people overseas seeking advice.

There are a variety of risk factors for melanoma, including family history, a previous melanoma, unusual moles, but a
major cause of skin cancer is too much exposure to ultraviolet radiation. Skin can burn in as little as 15 minutes in the summer sun—something I think many Queenslanders have found out the hard way. Sunbeds are harmful. They emit UV radiation up to five times stronger than the summer midday sun. Dermatologists have stressed to me that the best anti-ageing cream available is sunscreen, that nothing ages you faster than excessive exposure to the sun. They warn that every Australian should use sunscreen every day, irrespective of how much sun exposure they expect to have.

Whilst Australia remains the melanoma capital of the world there are research developments that are bringing new hope for treatment. The first ever treatment that has been proven to prolong lives, by a few months—and I stress at this stage that the treatment only prolongs life by a few months—of some patients facing life-threatening melanoma is now approved for use in Australia. The Therapeutic Goods Administration has approved 'Yervoy'—its more common name is ipi, and there is a very long name associated with that, but I will stick with ipi. It is distributed in Australia by Bristol Myers Squibb Australia Ltd for the treatment of patients with inoperable or metastatic melanoma who have failed to respond to and/or are intolerant to prior therapy. It is a landmark in melanoma treatment. For the first time we now have an important tool in treating this insidious disease.

There is a lot of promising research in cancer but, of course, not all of it gets to the stage of being able to help people live longer. This was especially true of melanoma, which was one of the major cancers not to have an active therapy, until the introduction of Yervoy. It is treatment borne from a new class of antibodies that reactivate immune cells that specifically target tumours. It is a monoclonal antibody that blocks a molecule known as cytotoxic T-lymphocyte antigen, or CTLA-4 to you and I, Mr Deputy President. CLTA-4 plays a role in slowing down or turning off the body's immune system, affecting its ability to fight off cancerous cells. Yervoy appears to work by allowing the body's immune system to recognise, target and attack cells in melanoma tumours. As I said, these antibodies represent one of the most promising new approaches to cancer therapy, helping the body to develop its own defences with the use of this drug.

New research and therapies are bringing hope but there is a long way to go, and for people who have been diagnosed with melanoma, I certainly encourage them to look at the website of Melanoma Patients Australia and to contact the association. They do an excellent job of providing emotional support to patients, families, friends and carers through a national network of support groups.

I would like to remind all Australians, as we go into summer, that sun damage is cumulative. Spending a lot of time in the sun increases our risk of getting skin cancer. It is particularly important in Queensland where we have significant ultraviolet radiation all year round with extremes in summer, but that is not the only time when damage can be caused. Many, many Australians have quite sensibly made a lifestyle choice to move to Queensland but once they are there they need to take up the challenge of adapting to the environment.

I would like to finish my presentation by advising everyone that Melanoma Patients Australia will be hosting a symposium and expo in Brisbane on 24 November. The symposium is for patients with advanced melanoma and their carers and families to come together and receive the latest
information about treatments and clinical trials from medical experts, and to hear inspirational stories from patients who have survived for more than five years, which is not a common occurrence—more than 75 per cent of patients with advanced melanoma die within one year. The symposium and expo will provide information on various programs and services, including early diagnosis programs, patient and carer support programs, government services and financial and legal services. I am pleased to say that with some sponsorship, Melanoma Patients Australia is able to provide this symposium for free. Many people with advanced melanoma experience financial hardship as wages earners either because they cannot work any longer or because they have to give up their jobs to care. We are hoping about 200 patients and their carers will attend this function.

**Union of Agricultural Work Committees**

**Senator XENOPHON (South Australia)** (20:08): I speak tonight in response to comments made in this place earlier today in relation to AusAID and work with the Union of Agricultural Work Committees in Palestine. The Union of Agricultural Work Committees, UAWC, is part of the AusAID's Australia Middle East NGO Cooperation Agreement, AMENCA, which benefits more than 8,000 people living in north and south Gaza. UAWC's focus is on helping these people re-establish farming and fishing by building irrigation systems and greenhouses, and providing fishing boats. Their aim is to assist poor and poverty stricken communities by rebuilding sustainable livelihoods.

UAWC is funded by AusAID through World Vision, which does extensive work in Palestine. It is important to remember that this is one of the most disadvantaged areas in the world—1.6 million people survive in one of the most densely populated areas in the world. Nearly 40 per cent of these people are living in severe poverty. Nearly 10 per cent of children suffer from chronic malnutrition, with half of the population under the age of 18. Forty seven per cent of young people are unemployed. Without food, without education and without jobs or hope, their lives are too often shaped by violence and desperation.

There is no doubt that some Palestinian groups commit acts of terrorism. Those acts of terrorism must be condemned in unequivocal and unambiguous terms. Those responsible for those acts of terrorism must be punished and they must be condemned. We also should do all we can to prevent these acts from happening again.

What concerns me is that the Israel Law Center, or Shurat HaDin, has accused World Vision and AusAID of supporting terrorism through their donations to UAWC and the work that is done with UAWC. They have alleged that UAWC is using Australian dollars to provide funding to the Popular Front for the Liberation of Palestine, an organisation prescribed by the UN, Australia and others as a terrorist organisation. When these allegations were first brought to the attention of AusAID and World Vision, funding to the program was suspended while an investigation took place. I believe that was entirely appropriate. This investigation included the Australian Federal Police, the Australian Security Intelligence Organisation and Department of Foreign Affairs and Trade. This investigation found that no breach existed and that there was no proof for the allegations. Based on this information and on advice from the Australian Government Solicitor, the AFP advised it would not accept the matter for further investigation.
The government of Israel does not consider UAWC as a prescribed organisation or any of its board members as prescribed individuals. In fact, the government of Israel has listed the UAWC as a not-for-profit organisation since 1996. World Vision has vetted UAWC four times since 2005 and there are strict due diligence procedures in place for both this organisation and AusAID in general. Other multilateral, bilateral and non-government donors work with the UAWC and attest to its established reputation for delivering effective agricultural development. That agricultural development helps rebuild communities and helps to eradicate poverty. The organisations include Oxfam Britain, Belgium and Italy, the Dutch government, the aid arms of the Spanish and Italian governments and several UN bodies.

There are obviously many suspicions as to why Shurat HaDin is targeting UAWC. A few weeks ago, the Gaza correspondent for the Age wrote:

The Palestinian Non-Government Organisations Network described the actions of Shurat HaDin as ‘an ongoing smear campaign targeting Palestinian civil society organisations seeking the implementation of international law and respect for human rights.’

All organisations which have attempted to denounce Israel's human rights violations have been targeted,' the network noted.

There is a desperate need for aid in this area. While the immediate effect of such aid is to limit the suffering of individuals, we cannot ignore the long-term aims. In a speech to the Bob Hawke Prime Ministerial Centre at UniSA in 2006, former Prime Minister Hawke said:

Palestinians, particularly young Palestinians, exist in a dysfunctional economic environment with virtually no hope of employment or maintenance, let alone improvement, of their living standards. This is a breeding ground for despair and worse—while there is no hope among the young for jobs and the constructive development of their talents there will be no shortage of recruits for the martyrdom of the suicide bomber.

I agree with everything that former Prime Minister Hawke said. Without hope of a better life, there can be no hope for the future. Foreign aid is not a question of a quick fix; it is about helping individuals to build or rebuild their lives, and so to rebuild their countries and rebuild their communities. That in itself acts a bulwark against terrorism. It starves the terrorists of the oxygen of recruiting others into their evil web.

UWAC is filling a vital need in Palestine, as are countless other organisations. I strongly support the actions of AusAID, DFAT and World Vision in their approach to this matter. It is heartening to see a considered, transparent and thorough approach to Australia’s foreign aid strategy in this area. Because of these processes, organisations are able to work in these incredibly difficult places, rebuilding and strengthening people and communities one brick, one water pump, one farm or boat or building at a time. Their work is invaluable and I thank them.

**Same-Sex Marriage**

Senator SINGH (Tasmania) (20:14): I want to take a moment this evening to speak on the matter of marriage equality, for which legislation has twice come before the Senate in recent weeks. Unfortunately, other duties prevented me from being in the chamber at those times, so I want to take this opportunity to place on record my views on this issue. I do want to acknowledge at the outset that, although I was disappointed with the outcome of those debates, I remain optimistic that a fair and equitable outcome on this issue is not too far away in Australian society.
The movement for marriage equality has been brought to this stage as a result of the action and passion of progressive campaigners from across the political spectrum. They have advocated both publicly and privately that the right to marriage is one that should be universal, regardless of the sexual orientation or gender identity of an individual. I want to especially acknowledge the efforts of Rainbow Labor, who in my home state of Tasmania have been tireless advocates of the rights of lesbian, gay, bisexual, transgender and intersex people.

Similarly, Tasmania is home to some of the most dedicated campaigners for gay and lesbian rights in the country, and in that I must acknowledge the incredible efforts of our former Senate colleague Dr Bob Brown and my friend and colleague Rodney Croome, who have both fought for equal rights and risen to that task despite the risk, the insult and the injury of that role. It is their advocacy and the conscience and values of my state Labor colleagues which led to Premier Lara Giddings's pursuit of marriage equality for my home state of Tasmania.

There is, I think, amongst Tasmanians a very particular awareness of the impact of institutional discrimination, owing to the state's sad legacy of being the last jurisdiction to repeal anti-homosexuality laws. That awareness and closeness to this change means that Tasmanians now recognise, perhaps more acutely than many other communities, the need for justice and equality before the law. There is an awareness that the way we organise our community and our society has a profound impact on the personal lives of individuals.

And marriage, of course, a deeply personal thing. It is a commitment offered by a couple to each other, a declaration that they will love, care for and respect each other in the most intimate way possible in any human relationship. It is a union entered into not just voluntarily but with a clear mind and a full heart. But it is also a historical and cultural institution which has been observed in the law of this nation since its inception. That is not to say that marriage has been a static institution. Marriage has evolved to reflect the expansion of other social and civil rights, and included rights and obligations that reflect the constitution of our social safety net.

Society is constantly in a state of flux. Since Australia became a nation, we have acknowledged the role of women in work and in public affairs, working towards equal pay and rights at work and offering suffrage and participation in all aspects of society. We have witnessed extraordinary discrimination against Indigenous Australians before finally understanding that citizenship and participation is a right of all Australians, especially our first Australians, and offering them suffrage. Slowly, after that formal recognition of rights, equality has filtered down into the dynamics of our community and, in very recent history, we have apologised for those past injustices.

Even in marriage specifically, we have acknowledged that our social and legal controls on interracial marriage were baseless and that marriage is a question of love rather than ownership, a relationship rather than a transaction. We can measure our progress by the extent to which we have been willing to modify our institutions on the basis of new understandings of community, humanity and inclusion. An often quoted phrase from Dr Martin Luther King Junior is one that is always pertinent in this place:

... the arc of the moral universe is long but it bends towards justice.

One of the most important and enduring values of Australian society is its respect for
difference based on the inalienable dignity of every person. That dignity, equal amongst people, persists regardless of race, colour, creed, gender, sexuality or any other arbitrary distinction we might make. We recognise this dignity by allowing all people to have equal opportunity to realise their dreams and equal access to community life: in cultural expression, in work and in the kinds of ambitions people are able to pursue in Australia.

For the majority of Australians, marriage is a way to recognise and understand a couple's love. It is a way to ascribe to a couple's relationship the value and dignity—the depth of commitment—made by two people to each other. Yet, at the moment, the Australian community has no comparable measure to recognise that same-sex couples are even capable of such depth of love, despite the thousands of loving, committed, stable same-sex relationships in contemporary Australia attesting to that fact daily.

The legal definition of marriage, as it stands, denies same-sex couples the dignity that Australian values would rightly accord them. It continues to say that the love between two people of the same gender is not worthy of the same recognition we grant a relationship between a heterosexual couple. We continue to deny the dignity of gay and lesbian couples, and the dignity of their love. I believe it is discriminatory and incompatible with the expectations of an equal society.

The Australian Labor Party has a strong record on removing legal discrimination against same-sex couples. It is important to remember that it was the Australian Labor Party which removed discrimination against same-sex couples in superannuation, social security, taxation, Medicare, veterans' affairs, workers' compensation and educational assistance. It was the Labor Party that chose to stand up for gay and lesbian couples to access the government services and support that all families in Australia should expect. But marriage equality is about recognising that near-equal is not equal.

Not equal is not good enough, because anything short of marriage equality will continue to contribute to an Australia in which same-sex couples are regarded as different—as not full or active participants in our communities. According to Psychologists for Marriage Equality in their submission to the Senate Legal and Constitutional Affairs Committee, that separation leads to social prejudice and discrimination that eventually leads to adverse health outcomes. Minority stress, as it is called, causes people to experience higher rates of psychiatric disorder, such as anxiety and mood disorder and substance abuse. We must not pretend that this recalcitrance on the definition of marriage is a victimless attitude. The signal we send to the community by whom we include and whom we exclude from our social institutions matters. Equality matters.

Despite the fact that most people in Australia regard same-sex couples as everyday people, our laws give those who want to sow fear and ignorance that she [sic] of law that reflects antiquity rather than reality. Worse, as the law stands we are making young people doubt the legitimacy of their own identity. Through this debate we have the opportunity to send our young people a different message. We have the opportunity to say to young gay and lesbian people that we understand and accept that their lives and their relationships will be just as rich as other Australians: that they have so much to look forward to.
I will support the concept of marriage equality in any vote taken by the Senate on this matter of conscience into the future. Like all laws and norms, marriage has changed as society has changed. I believe that the time is right for Australia to leave behind discrimination and embrace marriage equality.

Middle East
Senator RHIANNON (New South Wales) (20:24): Recently, I attended a dinner in this parliament hosted by Australians for Palestine. The guest speaker was Israeli historian Ilan Pappe. His books include The Ethnic Cleansing of Palestine, which covers the planned expulsion of 700,000 Palestinians from their lands in 1948, and The Forgotten Palestinians, which covers the lives of those Palestinians who still live within Israel's borders. Professor Pappe was in Australia as a guest of the Australian Friends of Palestine Association to deliver the annual Edward Said Memorial Lecture at the University of Adelaide. Professor Pappe's talks are a reminder to all of us of how much more needs to be done to achieve justice for Palestinian people and peace in the Middle East.

About one half of the world's Palestinian population resides in the West Bank, Gaza Strip and Israel. Many of these Palestinians are refugees, including more than 1½ million in the Gaza Strip, 2½ million in the West Bank and about a quarter of a million in Israel proper. Palestinian land is being increasingly alienated from Palestinians by Israeli settlers and the military.

The Australian Greens' position on the Middle East states that the Greens:

… recognise the ongoing injustice that has been done to the Palestinian people and aim to rectify that injustice in a way that will allow both Palestinians and Israelis to live in peace.

The Greens' statement also calls on:

… the Australian government to halt military cooperation and military trade with Israel …

and for:

… the removal of existing Israeli settlers and Israeli security and military forces from the Palestinian territories.

Military cooperation between Australia and Israel should end. Israeli military operations are destroying the homes and livelihoods of Palestinians. Aid projects to assist Palestinians that are funded by UN bodies, bilateral aid programs and non-government organisations have been destroyed. In July I spoke in the Senate about aid projects in Palestine under threat from the Israeli authorities, including an AusAID funded health clinic constructed through ActionAid's local partners.

In April this year the European Commission released a list of projects it has funded that have been destroyed or damaged by the Israeli military between May 2001 and October 2011. There have been 82 examples of destruction that amounted to a loss of $US65.6 million, $US40 million of which came directly from European aid. One of the projects, Gaza's international airport, partly built with aid money from Spain, Sweden and Germany, was damaged in 2001, costing contributing countries $US12.7 million.

The Israeli military have destroyed a fleet of Red Crescent ambulances financed by the European Commission and several waste management and water treatment plants. As well as the aid funded projects, the demolition of homes, schools and local infrastructure on the West Bank occurs regularly. Solar panel projects in Hebron villages received demolition orders earlier this year. The projects are funded by the Spanish and German governments. France has protested to Israel's ambassador in Paris over the demolition of two water cisterns in
the Hebron area in the southern West Bank which were financed under a French agricultural cooperation project.

When analysing these developments with European funded aid projects—of which there are many, as the European Union is the largest donor to the Palestinian Authority—it is relevant to note that the European Union has been strongly criticised for bankrolling parts of the Israeli military industrial complex and the settlement economy. While some argue that the EU is balanced I would argue that it is biased, and undermines the benefits of many of its own projects.

I am aware that the Israel government claims their military have the right to demolish structures built without a permit. The reality is that building permits are virtually impossible to acquire, and some aid organisations have stopped applying.

Commenting on the destruction, Oxfam’s Country Director Nisha Pandey said:

Aid from the international community, including European governments, is wasted when aid-funded projects are demolished.

... ... ...

European governments can ensure that their citizens’ money is going for good by calling on the government of Israel to end the demolition of aid projects and civilian infrastructure in Area C.

What is relevant for the Australian government is that the Israeli military, with which we have increasingly close ties, is a destroyer of public and private Palestinian buildings and infrastructure. The Israeli military destruction of aid projects is insidious—these attacks not only bring hardship, suffering and often death to Palestinians but also make Israeli military hardware more marketable, as it is promoted as battle tested.

In 2010 approximately 80 per cent of Israel’s military production output was exported, and exports by Israeli arms companies totalled $7.2 billion. Despite this extraordinary level of military trade Israel receives enormous amounts of military aid from the US and the European Union. From 2000 to 2009 the US gave Israel $24.1 billion in military aid. Israeli companies and universities involved in the military and security sectors received millions of euros in government research grants.

The Australian government is developing increasingly close ties with the Israeli military. Since 2005 more than $690 million has been paid to the military contractor Elbit Systems Pty Ltd. This Israeli company which specialises in intelligence and communications technology has won a contract with the Australian Defence Force to supply battle management systems for the Royal Australian Navy’s landing craft. Elbit Systems has built its business model on close relations with the Israeli military, which gives it a market edge as the products have been used in military operations, with many of these military operations targeting Palestinian people.

Elbit’s promotional material details that its UAVs—unmanned aerial vehicles commonly known as drones—were used effectively by the Israeli military in its 2006 war against Lebanon when countless civilians were killed under the Dahiya doctrine, which advocates the intentional destructive of civilian infrastructure. An Elbit Systems press release issued on 24 March 2008 details that these drones were used in the military operations in Gaza. Elbit’s Heron drone has been used by the RAAF in Afghanistan since December 2009, and to date has cost Australia more than half a billion dollars. The Heron does not carry weapons. It is loaded with sensors and cameras, but that could be about to change.

At the May Senate estimates hearing Australian Defence Force chief General David Hurley stated:
I wouldn't discount the fact that we might have armed UAVs thinking through our force structure review into the future.

It appears that Australian armed forces are experienced in operating armed drones. ABC's *Foreign Correspondent* in June reported that they had been informed that US drones have conducted strike missions at the direction of Australian Special Forces troops.

The threats to aid projects in Gaza do not only come from the Israeli military. The Israel Law Centre aided by members of the Liberal Party are targeting aid projects supported by World Vision Australia via AusAID funding. These projects that include assistance for families to keep sheep, goats and chickens and tend their vegetable gardens are under threat because they are delivered by the Palestinian not-for-profit organisation the Union of Agricultural Work Committees. The UAWC has denied it has links with the Popular Front for the Liberation of Palestine, an organisation listed as a terrorist organisation. An AusAID investigation into the allegations found them to be baseless.

The World Vision funded projects in Gaza provide assistance for more than 8,000 people in the 42-kilometre long strip. These projects assist Palestinians with their farms, greenhouses and irrigation systems destroyed in Israeli air strikes. In a letter to the Israel Law Centre, the World Vision Australia CEO, the Reverend Tim Costello, described the centre's allegations as unsubstantiated and in some cases defamatory. The Minister for Foreign Affairs, Senator Bob Carr, in answer to a question today in the Senate from Senator Eric Abetz said UAWC was not banned by Israel or declared a terrorist organisation by the Israelis. The Union of Agricultural Work Committees has retained its long-term, non-government organisation status with Israel. In May the foreign minister stated: 'Taking into account the thorough nature of AusAID’s examination and advice from [the Australian Government Solicitor] that no offence has been identified, the [Australian Federal Police] has advised it would not accept this matter for further investigation.’ Despite these findings the Israeli Law Centre and a small band of obsessed Liberal MPs have pursued World Vision and AusAID over their support for these projects. The coalition are isolated in these bigoted attacks. Oxfam Britain, Belgium and Italy, and the Dutch government are all continuing to assist the UAWC.

The Australian government's policy to the Israel-Palestine conflict needs to change. A priority should be ending military cooperation and military trade with Israel. *(Time expired)*

**Kangaroo Island: Offshore Exploration**

_Senator WRIGHT_ (South Australia) (20:34): I rise to speak about a place that is close to my heart. It is a place that has been the scene of some special family holidays. It is a place that has been the scene of some special family holidays. It is a place which is known as Australia's Galapagos. It is a place that is just too precious to lose. This place is Kangaroo Island.

Kangaroo Island is one of Australia's most iconic wilderness destinations, and for good reason. Visitors flock from all over the globe to experience its wild coastlines, beautiful beaches, abundant wildlife and local produce. But more than this, Kangaroo Island is home to a small but vibrant community of 4,500 people, many of whom rely on fishing and tourism for their livelihoods. And it is on behalf of this community just off the coast of South Australia that I rise to speak tonight.

The very wilderness values that make Kangaroo Island unique are under threat and, as a consequence, so is the future of the
people who call Kangaroo Island home. The threat is offshore oil and gas exploration and, ultimately, offshore oil and gas production. Just over a week ago, Bight Petroleum applied for approval under the Environment Protection Biodiversity and Conservation Act to begin exploring for oil and gas in Commonwealth waters to the west of Kangaroo Island.

Bight intends to undertake a 70-day seismic survey of this area between January and May next year. If the results from the seismic survey are promising, the company plans to drill a test well in either 2014 or 2015. Yesterday, a very short, 10-day public consultation period with respect to Bight Petroleum's plans came to an end. The Minister for Sustainability, Environment, Water, Population and Communities, Tony Burke, now has a further 10 business days to decide how he will respond to Bight Petroleum's application.

I think it is important to take note that this is the first and only time the public has been given the opportunity to formally comment on the prospect of oil and gas activities off Kangaroo Island's west coast. Back in July 2010, the federal government released two areas to the west of Kangaroo Island in its annual release of offshore exploration acreage. This is a process whereby new areas in Commonwealth waters are opened up for oil and gas exploration. In July 2011, these two lease areas, known as EPP41 and EPP42, were awarded to Bight Petroleum. There are two red flags here. First, the annual acreage release is an entirely closed process with no public participation and no community say over which areas are released. Second, the grant of these two lease areas to Bight Petroleum happened smack bang in the middle of the ongoing public consultation process for the creation of a Commonwealth Network of Marine Reserves.

Had these leases not been granted to Bight Petroleum back in July 2011, this area very well could have—and we say definitely should have—been included within the network of marine reserves announced by Minister Burke in July of this year. The Kangaroo Island Council specifically wrote to Minister Burke in May urging him to use the marine reserve process to create a 'no oil and gas' zone to the west of Kangaroo Island, with EPP41 and EPP42 to become a part of that no oil and gas zone when Bight Petroleum's existing leases come to an end. Clearly, in this case and in a number of others around the country, where new offshore exploration leases were granted in the middle of the marine reserve process, the government chose to give a free ride to the oil and gas industry at the expense of properly conserving Australia's magnificent marine environment. We need to rethink our federal environment laws to make sure this never happens again.

But back to the issue at hand—why does this area to the west of KI deserve such a high level of protection? The proposed seismic survey area covers a unique underwater landscape known as the Kangaroo Island Canyons and Pool. It is here that seasonal currents interact with steep-sided, narrow canyons to bring food from the deep ocean to the surface. These upwellings support and attract a melting-pot of marine life. Aggregations of krill, squid and small fish in turn attract larger predatory fish, seabirds, dolphins, seals and whales.

This marine biodiversity hotspot is a critical feeding and breeding area for a whole host of nationally listed species, both resident and migratory. It is also one of the most productive commercial fishing areas in Australia. It would be difficult to overstate the ecological, economic and social importance of these waters, first and foremost for Kangaroo Island, but also for
South Australia and indeed Australia as a whole. It begs belief than an area such as this is not deemed sufficiently important to warrant protection from offshore oil and gas activities. Unsurprisingly, the Kangaroo Island community is united in their concerns about Bight Petroleum's plans. Back in September I travelled to Kangaroo Island to meet with key community leaders about this issue. The council, local green groups and fishing organisations have all been vocal in their opposition.

Seismic testing brings its own concerns, which I will discuss in a minute, but let us not forget that such testing is merely a precursor to exploratory drilling. Even a small spill would damage the Kangaroo Island community in so many ways. Take out tourism or fishing and you have a lot of families who would have to leave the island to find work elsewhere. That would have serious ripple effects for the entire community—schools, sporting clubs and local businesses. The long-term viability of the community itself would be threatened.

Bight Petroleum's seismic survey plans in and of themselves are clearly unacceptable for a whole range of reasons. I do not have time to canvass them all now, but I will list some of the most critical flaws. First, the survey will have an impact on over 60 nationally listed species, yet Bight's referral fails to explain how it will mitigate adverse impacts on the vast majority of these. Second, it is likely that endangered blue whales will be feeding in the area at the time of the testing. Bight Petroleum's referral relies on an unpublished and extremely sparse dataset to support its assertion that blue whales are unlikely to be present. By 'sparse', I mean four days of observation over five months.

Third, Bight Petroleum has failed to consider the use of alternative, quieter technologies. Fourth, the seismic survey is clearly a component of a larger exploration program which includes exploratory drilling, but Bight's referral contains no information at all regarding the manner in which the test drills will be carried out. Fifth, only two professional observers are proposed, when four were required to avoid impacts on blue whales in the recently approved Origin seismic survey in the Otway Basin. Inaccurate claims are also made about passive acoustic monitoring to dismiss its use in addition to human observers.

Sixth, the referral is dismissive of the many concerns raised by stakeholders. Company decision-makers are apparently of the view that stakeholders must prove risk or harm before Bight will make the effort to address any of these concerns in its EPBC Act documentation. This seems to me a perverse interpretation of the appropriate burden of proof! Overall, expert conservation stakeholders submit that the seismic survey will have a range of significant impacts which are sufficiently serious for the proposal to be rejected outright.

The Australian Greens are the only party taking these concerns seriously and the only party standing up for Kangaroo Island's environment and for the local community. Today I moved a motion calling on the Senate to recognise the ecological, economic and social importance of these waters to the west of Kangaroo Island and calling on Minister Burke to use his powers under the EPBC Act to reject Bight Petroleum's application as clearly unacceptable. Predictably, sadly, this motion was opposed by both of the old parties.

Clearly there is huge concern in the community that the short-sighted greed of the mining boom is blinding governments and corporations to the need to protect places
chamber

that are too precious to lose. That today's motion was voted down is yet another example of the old parties putting the interests of the resources industry before the interests of people and nature. Minister Burke and Bight Petroleum need to know that the Greens will not stop supporting the Kangaroo Island community and will not stop campaigning on this issue, until the marine environment to the west of the island is given the level of protection it deserves. Some places are just too precious to lose—and this is definitely one of them.

Wind Turbines

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (20:43): This evening I wish to reflect on some aspects associated with industrial wind turbines around Australia and to report what I would regard as undesirable sequences that are occurring. I refer to a statement by the National Health and Medical Research Council of July 2010 in which they express concern regarding the adverse health impacts of wind turbines, focusing on infrasound noise, electromagnetic interference, shadow flicker and blade glint produced by the turbines. In that same document they question the validity, or the extent or accuracy, of evidence associated with health impacts and also make the recommendation that:

... relevant authorities take a precautionary approach and continue to monitor research outcomes. Complying with standards relating to wind turbine design, manufacture, and site evaluation will minimise any potential impacts of wind turbines on surrounding areas.

The concluding remark that I wish to quote from that statement is:

The situation is further complicated by findings that people who benefit economically from wind turbines were less likely to report annoyance, despite exposure to similar sound levels as people who were not economically benefiting.

It is that point that I wish to reflect on this evening and, in fact, put to bed some of the assertions which are often made—that those people who make a dollar out of wind turbines do not seem to get sick, whereas their neighbours upon whose land the turbines are not established somehow do.

In the middle of August this year I met with, at his request, Mr Russell Marsh, Policy Director of the Clean Energy Council. During that meeting we discussed confidentiality clauses in the wind developer contracts, particularly as they relate to health effects and whether a turbine host, as they are known, could comment publicly on adverse health effects for themselves or, indeed, members of their family, staff or friends. Following that meeting, I wrote to Mr Marsh requesting clarification on a comment that he made that the existence of confidentiality clauses in these contracts would not preclude a person from such a statement in the event that they were adversely affected by health impacts. I have received Mr Marsh's reply on behalf of the Clean Energy Council—previously known as the Australian Wind Energy Association—and is dated 5 October. I quote from it:

I can confirm that as far as we are aware, and based on discussions with our wind industry members, landholder contracts do not contain any clauses that would prevent or penalise a person for speaking publicly if they claim to be suffering health effects.

That sounds like a very straightforward statement. I do not know who of the developers and the promoters are members of the Clean Energy Council, but I have in my possession a number of wind development contracts which have been forwarded to me from around Australia. I can state quite categorically that these contracts do contain confidentiality clauses that would actually penalise a person if they spoke publicly—including if they were...
suffering health effects. This, in my view, directly counters what Mr Marsh asserted in his letter to me. I do not know which, if any or most, of these companies are members of the Clean Energy Council, but I will refer to companies including Acciona, Infigen, Goldwind, Euron, Wind Prospect, Windlab, Wind Assessment, Wind Corporation, Wind Power, Repower, Suzlon, Ratch, Union Fenosa and, of course, there are others.

A leading barrister who has an intimate knowledge of wind development contracts has provided me with information about the 2010 Windlab contract for a proposed wind farm to be operated by Suzlon, now Repower, in New South Wales. I quote from a clause in the contract: 'The landholder acknowledges and agrees that it accepts the noise impact which the landholder also agrees will not cause him or her nuisance and agrees that he or she will not make any claim, objection or complaint; and releases the developer from any claims or liability.'

Clearly, the effect of that clause is that the turbine host would sign away their rights to prevent noise nuisance and that they would suffer the consequences without being able to make any statement. The noise impact is assessed by reference to what are known as the noise impact guidelines. They are defined in that particular contract as relating to the EPA (South Australia) wind farm guidelines of 2009. Under those guidelines, the base limit is 40dBA, not 35dBA as appears in another clause in the same contract. I would therefore contend that these terms mean the landholder would agree to and be bound to accept the noise that has been created and has agreed not to complain to anyone or to bring a claim against the developer. This means that the landholder can do nothing about the noise without breaching the contract.

I refer to another clause relating to confidentiality and I quote:

The Landlord may not conduct interviews with media organisations or other members of the public or issue press releases or other announcements unless the Tenant [Wind Developer] has first approved the content of the disclosure and has otherwise consented to the use of the Tenant’s name in association with that disclosure.

By signing this contract, the landholder is giving the developer a right to vet and veto any statement that the landholder may wish to make to the media or anybody else. Nothing that the clause indicates limits the capacity to reach into the contract on matters of any particular accord for the exercise, including adverse health effects. But it does not improve from there.

There are well-known cases of acquisitions of affected properties with the associated so-called ‘gag agreements’. I quote one from the Waubra Wind Farm owned by Acciona in Victoria. The confidentiality clause states that the person signing it—in this case the host—must keep the deed and its terms confidential and not themselves, nor their servants, agents, employees or family members directly or indirectly disclose the deed. Furthermore, in terms of public announcements, except as required by applicable law or the requirements of a regulatory body, all press releases or other public announcements in relation to the deed must be approved by the developer. Furthermore, the host agrees to not make any comments, statements—whether adverse, critical, disparaging or otherwise—or allegations with respect to the conduct of the developer, Acciona, or their affiliates in any professional or personal capacity, and agrees not to lodge or to make, encourage or procure others to lodge, make or procure any complaint or statement.

I turn now to South Australia and the Lake Bonney project and to New South Wales and the Flyers Creek projects and those contracts
binding the hosts to the business Infigen. The clause regarding confidentiality states, 'The lessee agrees to keep confidential and not to disclose, divulge or make known at any time to any third party any information not in the public domain regarding the activities.' Nobody would have any concern at all on matters that are purely to do with commercial in confidence. The matters I am referring to, of course, are those that could possibly be related to adverse health impacts, which naturally we are starting to see.

Another one, owned by the Chinese company Goldwind, states, 'The landowner may not disclose any confidential information to any person.' It goes on to describe what it is, and of course it relates to the activities to which the host cannot refer.

Even more concerning to me is another wind farm contract that has come to my attention. It is associated with a licence held by Technology Management and Engineering Services in Berrybank, Victoria. This particular confidentiality agreement is a little bit more interesting. It says:

The Confidential Information and any industrial or intellectual property rights of whatsoever nature in and to the Confidential Information are and will at all times remain the exclusive property of the disclosing party—

in this case, the developer—

... and the party receiving such ... Information ... will have no right, title or interest to or in the Confidential Information otherwise than as permitted by the Discloser.

I refer, in my home state of Western Australia, to not only host agreements but also what are referred to as neighbouring contract agreements, where again there are attempts in contract to limit the capacity of the hosts and the neighbours to make any adverse comments associated with health impacts. If anybody is so confident of their technology, then there should never be an occasion in which the host themselves, but particularly a neighbour, would be in some way tied up along these lines.

I refer to a contract associated with the Black Springs Wind Farm in New South Wales. Again, this is a cause of concern to me because it talks about sound pressure levels. Clause 3, relating to sound pressure levels, and clause 4 require the landowner to acknowledge and give consent regarding sound pressure levels. It says:

The Landowner acknowledges that the Black Springs Wind Farm will generate sound pressure levels which may exceed the guideline limits set out in clause 3.2 of this Deed, but will not exceed 50dB(A)—

that is, decibels audible. Furthermore, in a subsequent clause, it says:

By entering into this Deed the Landowner accepts that the—

operator—

... will generate sound pressure levels of a maximum 50dB(A) and consents to the proposed operation of the Black Springs Wind Farm despite its non-compliance with the Noise Guidelines sound pressure levels set out in clause 3.2 of this Deed.

As I read that, it seems to me that the developer is writing that they could be operating at a sound level above state planning legislation and state noise guidelines.

If I may, I will refer to one more. Wind Power uses a contract which includes a clause shifting liability for health effects due to noise from the developer to the landholder. Clause 7.3 says:

The Landlord releases the Tenant (Developer) from any liability for loss, damage or injury occurring in the Premises or on the Land arising from the Tenant's breach of the Environmental Protection Act 1970 (Vic) due to noise emitted from the Wind Turbine Generators.

It seems to me that you could not get a more direct statement than that.
The General Manager of Slater and Gordon, Mr Higgins, was quoted in the *Australian* newspaper on 4 May 2012 to have said that the company has 'acted for landowners who have been affected by the operation of nearby wind farms'. I am very anxious that the industry generally and its representative and spokesman, who courteously came to visit me at his request and responded to my correspondence, take this information and respond to it. We are now seeing many hosts. The most public and recent of them would be Mr David Mortimer from Millicent, South Australia. He has come out into the media, despite the fact that he is probably placing himself and his financial retirement at risk, to record and report adverse health effects as a result of the wind turbines being too close to habitation on his property.

In the same vein associated with wind turbines, I move to what has become a most unsavoury and personal attack on people who, for whatever reason, seem to have a view opposed to that of some of the developers. I refer to Mr Hamish Cumming, a gentleman who has been the subject of recent industry and media focus. He is a mechanical engineer residing in Darlington, Western Victoria. He attracted recent interest when he analysed the Australian Energy Market Operator energy data, the crux of which was reported in an article on 1 September in the *Weekend Australian* by Mr Graham Lloyd, the environmental editor. Mr Cumming has been heavily criticised—firstly, over his qualifications; secondly, over his method of analysis; and, thirdly, over the results that he has produced. Interestingly enough, they are well supported by recent evidence from the Netherlands and Ireland. His general conclusion was that wind farms do not reduce greenhouse gases and that the cost per tonne of carbon dioxide gas reduced can be up to 100 times greater than the price paid to emit the gas.

Mr Cumming is no stranger to the politics of the wind industry. He has a great interest in what we would know as the Australian crane, or the brolga, the *Grus rubicunda*. In fact, it is the state bird symbol of Queensland, Mr Deputy President, in case you have an interest in that area. Mr Cumming first became concerned about the development of a particular project as he was aware of a number of brolga nests and flocking sites in the area in south-eastern Australia that were not being recognised by wind developers. He discovered that important nesting data that was on the Atlas of Victorian Wildlife was not being used by developers and had been removed from the public domain. Since that time, he has been attempting to get the Victorian Minister for Planning and the Ombudsman involved. I understand he has even had the fraud squad involved. The omitting of this data has been confirmed in writing by the Regional Director of the Department of Sustainability and Environment, Mr Laurie Dwyer, in January this year. Since then, Mr Cumming has received further correspondence from Mr Dwyer promising that 700 pieces of data omitted from that atlas would be reinstated to the Biodiversity Interactive Map by the middle of August. You will not be surprised to learn that the middle of August has come and gone and the data is not there. But most importantly, according to Cumming, the omitting of that data from the *Atlas of Victorian Wildlife* is being seriously questioned because the omitting of those records and the information they contain may have stopped a development permit where the proponent would stand to make a substantial financial gain.

As a result of this, this gentleman, Cumming, has been personally attacked. He has received death threats and has had arson
attacks on his property. To me, this is totally un-Australian and unacceptable and it needs to be the subject of investigations. Certainly, if his allegations are true and the data is being withheld, I hold grave concerns about the continuing good relationship between the various environmental consultants, local planning authorities and relevant state agencies. Regrettably, I also note that Mr Russell Marsh, whom I quoted a few moments ago in an earlier part of my contribution, wrote a letter to the *Australian* on 6 September, six days after Lloyd's letter, in which he made the observation:

THE forensic examination of wind energy by Hamish Cumming was a long series of emails by an activist who is not a mechanical engineer. It is a flawed and amateur analysis that is riddled with errors and incorrect assumptions.

I have had correspondence subsequently from Mr Cumming, who has requested an apology from Mr Marsh along the lines that, firstly, the claim that he is not a mechanical engineer is false. Sadly for Marsh, as Cumming said to me in an email:

… not only did I graduate in Mechanical Engineering in 1983 at Victoria University, but I attained the highest marks for the Degree that year. I also did further studies in Marketing and Management, Accounting, Economics and Law. I have worked for four multinational companies and have done private contracting which together have taken me to 25 countries …

He is trying to draw some sort of an understanding as to why Mr Marsh would have attacked him personally, and, of course, he is still waiting for an answer.

The Clean Energy Regulator has been asked by the Executive Director of the Australian Environment Foundation in a letter of 7 September to work with the Australian Energy Market Operator to analyse the past two years of energy data in Victoria to answer Mr Cumming's question: are wind developments actually reducing greenhouse gas emissions? I wait with keen interest for that analysis, that data and that report from the regulator.

Jordan, Mr Scott

Senator WHISH-WILSON (Tasmania) (21:02): Mr Deputy President, I seek leave to speak for 20 minutes.

Leave granted.

Senator WHISH-WILSON: I rise tonight to speak about a gentleman called Scott Jordan, from the north-west of Tasmania. It is said that all individuals are unique, but Scott is one unique Tasmanian. He is a dedicated community leader, a tribal elder to troubled youth in the north-west of Tasmania and a role model for his community, and Scott is now going to play an important role in the future of north-west Tassie, which I will get to in just a minute. Scott was born in Burnie and brought up in a small mining town on the west coast of Tassie called Zeehan. Zeehan was mined from the early 1800s and still is the home to a number of active mines. Scott's dad worked on the Zeehan tin mine when he was growing up in Renison and Scott left school early to work in mining exploration himself.

I recently spent time with Scott travelling around the north-west and I remember Scott talking about the rough and tumble of playing Aussie Rules on Australia's only gravel football fields; camping in and exploring the rainforests of north-west Tassie; and fishing with his mates in the rivers and rough surf beaches of Tassie's west coast. In every way, Scott was a typical kid of north-west Tassie. After working in mining exploration and doing geophysical work, Scott embarked on a long career: 15 years working as a key youth and community development worker in the north-west of Tassie. Over the years, Scott has established and helped run a number of welfare homes and youth centres and raised millions of
dollars to aid youth welfare and community development.

One such organisation was called Youth Insearch, which functions to aid kids suffering the trauma of family breakdown, alcohol abuse, family violence and sexual assault. Another organisation was called the Young Aussie Enterprise program, which was established to find new ways and platforms to gain work for youth, once again across north-west Tassie. One initiative was the Young Aussie Car Wash, which created jobs for 48 kids on the north-west coast. Washing cars does not sound like much, but to troubled youth, many who have been in and out of detention centres, it represented purpose, responsibility and a sense of identity, which a lot of these kids lacked. There were a number of other successful initiatives that Scott and his team ran in the Young Aussie Enterprise program.

Scott also ran for a number of years what was called a challenging behaviours unit, which functioned as a pre-and post-rehabilitation centre, or what was often called a place of last resort for youth in crisis in the north-west of Tassie. Many of these youths were either on their way to the Ashley Youth Detention Centre further down the Tasmanian coast or had just been released. It was Scott's role to spend time with these troubled youths and act as a mentor. Scott has also worked extensively with youth through the education system in Tassie, organising four youth camps per year in the north-west, incorporating many of the activities Scott himself grew up with and enjoyed on the west coast of Tassie.

Seventeen years ago, Scott and his wife moved into a small house in a poor housing development suburb on the outskirts of Burnie, where he was just beginning to work with local youth. Scott's plan was to live there for six months and save a deposit to put down on a house in Burnie. Seventeen years later, he is still there—now, of course, with kids. Last Saturday night, Scott tells me, his team organised a Halloween party community event for local kids, which they do six times a year. By Scott's direct involvement not just in these events but in local schools and in youth community centres, Scott is proud of his achievement and that his ongoing involvement in youth work has led to the local crime rate in his suburb dropping from 36 reported youth criminal offences per year 10 years ago to just four this year. Scott has worked tirelessly and selflessly as a community leader, role model and tribal elder for Tasmanian youth in crisis. This role is important and not many of us could do it.

But what is more important and perhaps surprising to many is that Scott Jordan is the lead campaigner for the Tarkine National Coalition, a coalition of community groups and NGOs in Tasmania opposed to new mining development in the proposed Tarkine World Heritage area. Looking at Scott physically and thinking about his background, he is a big chap like myself with a goatee, has not got much hair, quite an intimidating presence—very much a typical boy from the north-west of Tassie where I must say some of my relatives also live. You would not call him a typical greenie or even pick him for a conservationist. You also would not pick him as someone who spent years trying to promote jobs and direction for youth in Tasmania. But looks are superficial. His evolution from organic youth community worker to environmental campaigner, and I will get on the record ex-Greens candidate, is just as striking. Scott tells me his conversion came when he first met his first greenie, former MHA Di Hollister, in 2004 when he was working in his youth organisation Youth Insearch. Di often came down and volunteered time to
work with Scott and his youth. She struck Scott as a quiet, thinking and humble individual, a character of integrity who in Scott's own words 'didn't big-note herself'. That was good enough for a boy from the rough and tumble of west coast Tassie. Scott now recalls how he felt about greenies from his youth and recalls riding his BMX down to the caravan park in Zeehan during the Franklin Gordon campaign looking for tents, because he knew only greenies stayed in tents; everyone else was in caravans. He and his mates would sneak up at night-time and let down the posts and wires on the greenies. What led Scott to become a conservationist was deep in his heart. Spending time with Di and working with her, he began to stop and look and reassess what he valued most about living on the west coast of Tassie, what he remembered from his childhood and what he openly admits both himself and many fellow north-west coasters take for granted.

Scott's campaign to get the Tarkine National and World Heritage listing, which is now before Minister Tony Burke, has in many ways reflected his past life and path as a youth worker. It has been a tireless resolve to educate and make the values of this north-west wilderness area reach his local community and by default the rest of Tasmania and Australia. But in typical fashion it has also involved many positive projects and work and participation from local youth groups. Scott has helped initiate, fundraise and develop two key Tarkine tourist attractions: the construction of the Philosopher's Falls and Mt Donaldson walks and the Tarkine self-drive tours. These are all designed to help educate about the unique nature of this special ecosystem that is so special to Scott and his fellow campaigners.

In 2004 Scott conducted his own poll of the sense of local identity of the Tarkine Wilderness area in this community. Sampling random locals on the streets of Burnie, Scott produced a map and asked people to locate where they thought the Tarkine was. He was quite surprised that only four out of the 26 people he asked located where the Tarkine was. In fact, many did not have any idea where it was. As it later turned out, because he got their contact details, those four people had already worked in environmental projects or enlisted to work on projects in the Tarkine area. This obviously alarmed Scott and let him know he had a lot of work to do. Jump to 2010 and a poll conducted by EMC in the electorate of Braddon found that 72 per cent of those polled supported a national park in the Tarkine. This is clearly a big achievement in six years of promoting the Tarkine Wilderness area.

Scott has now worked for the last three years to see National and World Heritage listing for 447,000 hectares of the Tarkine or the proposed National Heritage and World Heritage listing for the Tarkine. This has involved working with mining companies and building relationships. Although it has undergone changes over the years, the proposed National Heritage listing has excluded existing mining areas on the west coast. The plan was always to excise any area that was not defensible in terms of its World Heritage values. Clearly existing mining areas, including old mining areas, would not cut the mustard in terms of what would be defined as a World Heritage area. Scott's view and the view of the Tarkine National Coalition, which includes NGOs such as the Wilderness Society and GetUp!, has always been that a negotiated settlement on the World Heritage area would lead to the best outcome for a Tarkine heritage listing.

Sadly, all the hard work Scott has done working with stakeholders over the years has come to nothing. After the emergency listing lapsed and Minister Burke and Labor felt they needed potentially up to another year to
process a World Heritage listing—take their time getting it right, as Senator Conroy recently stated in answer to one of my questions—we have seen a number of applications for new developments in the Tarkine area. Before I get onto those I would like to reiterate that no existing mines would be impacted.

Recently—in fact, only last week—Scott Jordan and I travelled to Sydney and met with the AWU and Paul Howes. The key point of the meeting from our perspective was for the union officials, particularly those from Tassie, to meet a boy also from the West Coast and with a mining background, who wanted to conserve the special values of the Tarkine and to stand up for its environmental values. Another key reason was that we could talk to them about their concerns about existing mines being shut down by a proposed heritage-listing application. Scott assured Paul Howes and other AWU participants that under no circumstances would World Heritage application or national heritage listing impact on existing mines.

We were told at that meeting that a tailing stand that would be required for the Rosebery mine in three to four years' time would be in the proposed World Heritage or national heritage listing area and therefore it put the entire operation and thousands of jobs in jeopardy. In good faith following that meeting, Scott Jordan got the information together, including from the authorities in Tasmania, and spoke to the mines department. He sent that information through to the AWU at Rosebery. And he got in contact with Mr Howes at the AWU to make sure to reassure them, as a sign of good faith, that their existing mines would not be impacted.

I want to get it on record tonight that it is very important that the line being run by the AWU, that potential heritage listing of this area will impact on existing mines, we believe to be totally false. We have certainly sent that information, and will continue to highlight and to eliminate any fears and concerns that they may have in this respect.

With new mines in the potential area for heritage listing: in that meeting we also discussed the Venture Minerals proposal, which is the major proposal on the table. It was Mr Howes's view that that area for the new proposed mine only encompassed 0.8 per cent of the Tarkine area. We have since received information, including from Venture Minerals, who I met today and asked these questions directly, that the area they have for exploration lease is 400 square kilometres. So far they have achieved 37 kilometres of strike; that is 37 kilometres of prospective tin for mining. On a rough calculation, that is around 8.8 per cent of the Tarkine—and that is just one mining company. There are potentially 10 licence applications in front of us for the Tarkine and there are 58 exploration licences across the entire area.

So in terms of 0.8 per cent being mined or being at risk of mining, we also believe that that figure is totally false and baseless. Of course, we have significant concerns that this World Heritage listing is looked at quickly—and we would expect that it has already been recognised that the Tarkine has strong World Heritage values; that is already on record. In fact, Mr Howes himself does not dispute that; in his own media releases he has quoted that many parts of the Tarkine deserve to be protected. So, we look forward to continuing the campaign to put more pressure on Mr Burke to give World Heritage or national heritage listing to this very special area.

I would also like to get something else on record before I finish on the unique individual who I started on, Scott Jordan, and
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that is the line that is being pushed, once again by Paul Howes at the AWU, that somehow Christine Milne and I have a different opinion on the Tarkine. Christine has always supported the community groups in their endeavours to get national heritage listing for this area. It has been made very clear to the media—and I will get it on record again tonight—that it was the community groups, particularly Scott Jordan and other members of the TNC, who wanted to meet with key stakeholders such as the AWU so that they could talk through any differences they had and see if there was common ground—and I would like to thank Paul Howes and the AWU for meeting with us. But I think it is very important to highlight again that they felt as a community group that a negotiated settlement was the best outcome for this area.

Christine Milne, of course, supported this. It has been said that she has called for a blockade-style campaign as big as the Franklin campaign. This also is totally false. It was, in fact, Scott Jordan who called for a blockade of the size of the Franklin if Venture Minerals were to proceed with their project. I did make Mr Howes aware of this in our meeting, that Christine had denied that and that there was no evidence at all of her making that comment. Yet even in the press again today we see Paul Howes running the line that Christine has called for a blockade the size of the Franklin. If we are going to get an outcome on this very sensitive area of jobs versus the environment it is important that we stick with the facts, that we focus on building trust and focus on honesty in this debate. In terms of honesty, I asked Scott Jordan exactly what it was that his key philosophy is on protecting the Tarkine. I asked him tonight, before I gave this speech, and he said to me, 'It is simple: the first thing in getting the community on side is talking, not telling—that is important'. People do not want to be told, they want to talk. They want to have a discussion, they want to listen and they want you to be fair and reasonable.

The next point he said was, 'I also let this place tell its own story'. Anyone who visits the Tarkine will realise that it is a place of very special values. It is one of the last temperate rainforest areas left in the world, and it is certainly one of the largest in the Southern Hemisphere. It is also home to the highly-endangered Tasmanian devil. I would like to say tonight, 'Come and visit the Tarkine soon; it is way too precious to lose'.

The DEPUTY PRESIDENT: I ask leave of the Senate that all senators who speak from now on speak to a maximum of 20 minutes. There being no objection, that be so ordered.

Public Education

Senator McKenzie (Victoria) (21:22):
We have been asked in recent times if we give Gonski. The AEU wants us all to give a Gonski—they want us to give Gonski $5 billion. Is the question whether we care about a productive, effective mass public education system or if we care that federal government should be more involved in the schooling of young people through direct funding? When we consider the purpose of education, it is to grow the mind, to develop, to socialise, to civilise. These are also the roles of parents, and the community more generally.

Once when only the elite were able to access education, simple practices of literacy and access to words were restricted to the church and the rich. These two iconic cultural conglomerates have been intertwined for millennia to maintain the status quo for knowledge, money and power. There is much academic literature on the role of the public education system in continuing the disadvantage, skilling young people for work rather than to think. As a former public
school teacher and a passionate advocate for a vibrant public education sector, I can refute this, not with a critical theorist hat on, one that sees anyone from a background other than working class as suspicious, nor with a technocratic response that believes that public education should be a vehicle for sorting and sifting the capacity of resources for use in the labour market. I care about public education—and yes, there was always going to be a ‘but’—and it is the state’s responsibility to deliver it. I also believe in small government and in using our resources as a nation in the most efficient manner. I also believe that the best people to know what they need from teachers and curriculum and schools are the locals.

A mass education system needs to accomplish a few key outcomes. People need to leave school with the skills and knowledge of how to participate in their society, to understand the cultural cues, and for us in our current society, that means being able to read. Our students need to be inspired by their education and they need to be critical thinkers now more than ever. These key ingredients of a great education are the bare essentials. The extras such as sport coaching, opportunities for art and music, debating and international travel, whilst important for additional learning and development, personal satisfaction and enjoyment, are not essential—desirable, but not essential.

My concern at the moment is that we are not delivering on the bare minimum. For instance, we are not delivering maths and science graduates. We are not delivering critical consumers of media in an era, I believe, when we are going to need that capacity in our young people more than ever. The report *Mathematics, engineering and science in the national interest* by Professor Ian Chubb shows the number of students doing science based courses has increased by only 18,000 since 2002, whereas health and commerce numbers increased by more than 97,000 and 66,000 students respectively. In a 2010 survey of 1,200 Australians aged 18 years and over, scientists were rated as the third-highest contributors to the wellbeing of a society after doctors and teachers, yet the proportion of year 12 students in Australia taking physics fell by 32 per cent between 1992 and 2009. And after my own year 12 experience with the subject, barely scraping through, I appreciate in this highly competitive ATAR world that our young people are involved in, that that might be an issue. But the actual subject studied was fascinating, and there is nothing more interesting than the quirky physics teacher.

The decline for biology was the same, while chemistry was down 25 per cent. Of Australian high school students not taking science, only one per cent agreed in a survey that science would be almost always 'relevant to their future', a statistic Professor Chubb labelled as 'frightening'. Professor Chubb went on to say:

> Our future lies in creating a high technology, high productivity economy; to innovate and to compete at the high-end of provision. To do so, the technical skills and scientific awareness of the entire workforce must be raised.

That talks about actually increasing our scientific literacy. The number of maths, engineering and science graduates needs to increase to allow industry to expand in these areas, yet our current performance is wanting and we compare poorly with our leading Asian neighbours. We must invest appropriately and wisely and not waste our talent, to benefit our own community, and humanity more widely.

The Chinese increase in innovation, the push to commercialise scientific work, to go beyond mimicry to create and commercialise in the areas of science technology is evidenced from their increase in spending on research and development from 0.9 per cent
of GDP in 2000 to 1.7 per cent of GDP in 2009. This is a phenomenal amount of money to be invested in R&D, and that was the difference in investment in China in research and development as a percentage of their GDP over a nine-year period. The Chinese have worked out exactly where their future and the future development of their society and economy lies. It is in increasing the construction of scientific knowledge and the commercialisation of its outcomes.

I recently returned from a delegation to China with the Senate's Education, Employment and Workplace Relations Committee. Previously China implemented the IP of others. Their jump to the next stage of development will involve China producing the scientific breakthroughs and also commercialising them, and many of the people we met with from the Ministry of Education to the leading professoriate, if you like, at many of the universities we attended as a committee, spoke about the desire and the focus of the next five-year plan being on science and technology and the commercialisation of that research.

But in visiting China and seeing their education system up close, for me it posed a question around the need for creativity in developing scientific proficiency. Creativity is not just a technical proficiency, and my art teacher from year 8 will agree. I believe—and I am not alone in thinking it—that this may be one of the challenges for China, and they recognise that themselves.

One of the attractions for our committee in visiting China was the PISA results, an international test on numeracy and literacy, amongst other things, for the Shanghai region. It drove our committee to desire to see what was happening in China on the education front. The PISA test said that in 2009, whilst Australia received results above the OECD average for every category, 14 per cent of Australian students aged 15 failed to reach the baseline level of reading proficiency considered essential for future development in a number of areas of knowledge acquisition. Another 20 per cent were functioning at the minimum baseline sufficiency level. This is backed up by a 2006 ABS study that found that just under half—46 per cent—of Australian adults cannot confidently read newspapers, follow a recipe, make sense of timetables or understand the instructions on a medicine bottle. Key issues are not up for negotiating everyday life and if one of the core functions of the public education system is for us to be literate in how we live our life in our society, then surely that is key.

The link between those young people who lack literacy skills and youth unemployment statistics is also telling. An Australian Council for Education Research longitudinal study found that students who scored badly on literacy and numeracy tests in year 9 were more likely to be unemployed, and if they were employed, were more likely to earn a low wage. The study found that low school achievement in literacy and numeracy was consistently associated with youth unemployment, with effects continuing through to 33 years of age.

In 2006, the unemployment rates for men and women aged from 25 to 64 without post school qualifications were 2.9 and 1.3 percentage points higher respectively than for those with some form of post-school qualification. For those with a degree or higher, the difference in unemployment rates was even greater. So the research tells us that while some are doing well in our nation, there are key cohorts that are not doing well. Shifting the education spend and control to centralised bean counters in Canberra is simply not the answer to address these issues. The long distance remote control responses that have seen big government
solutions foisted on communities are simple illustrations of why solution finding at a local level is never better done from a distance.

These cohorts of young people who need targeting and specific interventions require localised responses, not a one-size-fits-all policy which Canberra is so good at. Building the Education Revolution is a good example of centralised policymaking—schools ending up with halls instead of infrastructure they actually need, like working toilets or classrooms to replace dilapidated portables. One of the cohorts of young people missing out is the young man who was a kinaesthetic learner. Our classrooms are not built for him, our curriculum is not responsive to his interests, our teachers are not trained with specific teaching practice to assist him, and our education policy that requires or mandates his attendance at school rather than facilitating him into a job or a trade is not helping anyone.

In 2011, our education system in its present form was failing our young men. In 2011, 75 per cent of boys entering high school were likely to be studying until year 12 compared with 84 per cent of young women. This is an ongoing divide with only 30 per cent of men aged 25 to 29 completing a bachelor degree or higher compared with 41 per cent of women of the same age. We have to think why as a society we are pushing square pegs into round holes for somehow we have deemed that higher education means a higher standard of living. Yes, but if you look deeper into that research that is so often the basis for these decisions, there are other factors at play which mean that these decisions end up disadvantaging that particular student more. We are not digging down into the research, we are simply using words: 'If you go to higher education you are going to end up with all these better outcomes'. Yes, broadly speaking that is what the research tells us but if we dig down we see the need for targeted policy responses for the various cohorts in our public education system.

Research conducted by the Smith Family and the AMP Foundation late in 2003 found that young males not in the labour force have a mortality rate 8.6 times higher than those who worked or studied. The same report sought to quantify the impact. It found early school leaving cost Australia $2.6 billion a year.

Going back to my trip to China, another issue raised with our delegation was the different classroom behaviour and pedagogy differences between our two education systems. One of the universities we visited in Shanghai was a teacher training university, which sent its young teachers on a teaching exchange to Australia. The Chinese teachers would regularly comment back on the lack of discipline in Australian schools and the poor behaviour of our students. I am sure that if the reverse was said, there would be public school teachers from Australia wondering why the students in China were not engaged and why that repartee between student and teacher is not at the same level as we would expect from our classrooms here. While much of this can be put down to cultural differences, the role of the teacher and education of young people is paramount. Any discussion of education without focussing on teachers is simply missing the point. Teachers need to be valued in our society, through money and through cultural status and recognition, such as in China—the Confucian tradition, for instance, and learning values. There are those cultural underpinnings for how teachers are treated in China.

Teachers need to be trained appropriately. Teacher training in universities is an issue.
The gap between academics and teaching on the ground is real and we ignore it at our peril. Our young trainee teachers need to learn how to teach that young man what he needs. We do not expect our young people to all sit in straight lines and be quiet. Teachers need assistance in schools where they can teach and be able to discipline children who disrupt, ensuring our education system works more closely with the training sector. Poor teachers in our public schools do not help the argument—and we all know who they are, other teachers, the students, the parents and the principals. Some teachers are good for some students, and we need to empower principals to sort it out.

It does raise questions for those of us interested in a public education where clever kids can learn and compete and kids who do not want to participate can find a place to succeed in our society. Our committee heard how education in China is changing, that teachers are experimenting with pedagogies in the classroom that can provide student-centred methods. It will be interesting to see the effect this has on their educative performance, their drive for innovation and the empowerment more broadly of individuals within this Chinese society. I have been wondering about this and about Confucius as a teacher and the educative approach of their other religions, and whether it is a result of the economic situation: competitive individuals seeking to differentiate through education.

As I listened and watched the young people and educationalists in Beijing, Shanghai and Chengdu, I was struck by the focused determination of all involved. Educationalists, government officials, parents and students, one and all, have organised a system which has 21 million teachers, over 200 million students and services a society of 1.3 billion.

One issue we did hear about that is receiving attention more broadly is gaokao, which is essentially their year 12 exams. We heard about the rigidity of gaokao. We have horizontal movement within our education system. We might do some vocational training and then head off to university. The gaokao basically sets you on a path for life—your future is sealed; there is no lateral movement. When I questioned students about whether they would prefer to study electronics rather than physics, their look of confusion that one would value a lesser job over a higher status role was telling. I found that fascinating.

One story which has propelled the issues around gaokao and the rigidity of the system into public discourse in China involved a young man whose parents were in a car accident two weeks prior to his gaokao. The mother died and the father was in a coma for two weeks. The family, the school and the community conspired to keep the accident from this young man for two weeks because they did not want the trauma to wreck his gaokao results. This incident went viral on the internet. As this poor young man exited his exams, he was confronted by the media and everybody telling him exactly what happened. The trauma was there for all to see.

On the trip I also found it interesting to compare the inequities in China with those that exist in Australia, something the Nationals know only too well. For educational outcome and experience, postcodes matter in China as they do in Australia. For China, the question of competitive advantage is clear as parents in certain geographic areas do not want to lose their child's spot in the queue as migrant children compete with local students for precious university places.
At present, families in China are allocated their area of residence, which determines where they can access education services and healthcare services. With the mobility of the Chinese workforce increasing as people seek higher paying jobs in urban centres, there are upwards of one million people not living where they are registered. All their kids have to go to school somewhere and have to access health care somewhere. This has led to issues when coming to the gaokao, as students have to return home to their registered place of residence rather than their local school. This in turn decreases their chances of getting into the higher status universities, further exacerbating the inequities between the urban Chinese experience and the rural when it comes to education.

What we do see as a challenge for China is the same challenge that exists for our own nation—the tyranny of distance. Despite technological advancement in communications, despite advancement in transport options, despite commitment from successive governments to ensuring that geography does not matter, it does. It matters to your educational outcomes, educational aspirations and educational access from early childhood right through to university and training. This is the same whether you are in Gormandale or Guangzhou.

I would love to return to my comments on the Gonski report, but I am unable to in the interests of time. The Chinese experience with the Senate Education, Employment and Workplace Relations Committee was indeed a great learning and educative one. I saw firsthand the desire of higher education providers in China to host Australian student and heard about the challenges of educating a population the size and spread of China. I learnt about the intricacies of their education system. That fostered in all of us, I think, a new sense of understanding and appreciation for the role of education in a modern world. (Time expired)

Member for Dobell

Senator FIERRAVANTI-WELLS (New South Wales) (21:42): On 18 September, I raised the government's continued hiding of important documents pertaining to the member for Dobell. Tonight I would like to outline the depths to which this government is descending to protect the member for Dobell. Over a year ago, I sought documents under freedom of information regarding the proposed $2.7 million jobs incubator promised at the last election which was to be established as a partnership between the Wyong Shire Council and Central Coast Group Training. The documents I wanted contain representations made by Mr Thomson to ministers regarding this process and especially his efforts to undermine the project for his own vindictive motives.

Despite repeated questioning of Minister Carr and a failed order for production of documents when Labor and their Green alliance partners shut down the debate and despite continued challenges by me to the blocking of access to these documents by DEEWR, the Gillard Labor government went to great lengths to refuse me access to these documents.

As I indicated on 18 September, I was provided with a series of documents by Wyong Shire Council. One of the documents is a letter from the member for Dobell to Minister Garrett dated 20 July 2011. This letter makes it clear that Mr Thomson was deliberately seeking to besmirch the name of then Mayor Eaton and Councillor Best. This letter can in no way be described as the usual communications that occur between local members of parliament and ministers in regard to progress on projects in electorates, which is what Minister Carr told the Senate. Let me read the letter to which this
The government has gone to great lengths to protect from release. The letter is dated Wednesday 20 July 2011 and it is from Mr Thomson to the Hon. Peter Garrett, Minister for School Education, Early Childhood and Youth:

Dear Minister,

I am writing to ask that you undertake an inquiry into whether the Mayor of Wyong Doug Eaton and Councillor Greg Best misrepresented themselves to your department over a funding application by Wyong Shire Council.

Mayor Doug Eaton is Chairman of Central Coast Group Training. Councillor Greg Best is the CEO of Central Coast Group Training which is a not for profit Group Training Company operating out of Tuggerah in my Electorate of Dobell.

Prior to the 2010 election Minister Anthony Albanese announced that Wyong Shire Council in partnership with Central Coast Group Training was to receive funding to establish a Jobs Skills Incubator in Wyong Township on property owned by Wyong Shire Council.

Since that time my office has been dealing with staff of Wyong Shire Council on the progress of their application. I became concerned when it became apparent that Council Staff were not aware of the progress of the application. Subsequently I became aware that Councillors Eaton and Best had met with officers of your department to discuss the progress of the application without the knowledge of relevant staff in Wyong Shire Council.

It appears that when Councillors Best and Eaton met with officers of your department the impression was given that Mayor Eaton was representing Wyong Shire Council and Councillor Best was representing Central Coast Group Training as the original partners in the application. They discussed with your department alternative funding for their preferred project. Council officers dealing with the application only became aware of this visit when they were informed by my office.

The facts are that Council and the CCGT are in disagreement about the model for the Skills Centre. The Mayor did not represent his Council's preferred position on the model for the Skills Centre.

As you know I have been a strong advocate for programs to deal with the issues of unemployment and disadvantage in my electorate. I work closely with many organisations across the Central Coast to look at ways in which we can improve education and the skills levels of job seekers especially young people. Wyong is a particularly disadvantaged area with high unemployment and high social disadvantage. It is essential to ensure that we support programs which directly address these issues.

I am writing to the General Manager of Wyong Shire Council and all Councillors to request that they conduct their own inquiry into this matter.

I look forward to hearing from you.

Yours sincerely

Craig Thomson MP
Member for Dobell

Mr Acting Deputy President, I seek leave to table a copy of that letter.

Leave granted.

Senator FIERRAVANTI-WELLS:

Despite all the protestations, it is noteworthy that, after all the trials and tribulations of this matter, when it came before Wyong Shire Council on 10 October 2012 the motion was passed to proceed with the jobs incubator in accordance with the very same joint partnership framework between the council and Central Coast Group Training that made up the original parameters of the announcement. Two years on, the council and CCGT are back to where they started and the young people of the Central Coast still do not have their jobs incubator. So why don't you explain that, Mr Thomson, and why your interference in this process, both at the departmental level and at the council level, has resulted in this lengthy delay where potentially hundreds of hours of training for young people have been lost? Central Coast Group Training have lost...
hundreds of hours pursuing this matter. You have sought to besmirch their reputation—

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! Senator Fierravanti-Wells, I remind you to address your remarks through the chair.

Senator FIERRAVANTI-WELLS: Thank you. Many young people have potentially missed out on jobs and here we are, back to where we started from. Can I say that the member for Dobell has deliberately and in a calculated manner set out to sabotage this jobs incubator.

The ACTING DEPUTY PRESIDENT: Order! Senator Fierravanti-Wells, I remind you of standing order 193 and the requirement not to impute improper motives against a member of the other place.

Senator FIERRAVANTI-WELLS: Thank you, Mr Acting Deputy President. It is clear from the various documents that I have referred to in the past that Mr Thomson appears to have had a personal vendetta against both then Mayor Eaton and Councillor Greg Best. I would remind the Senate that Mr Thomson sought to pressure CCGT to give his former wife a job back in March 2011. When this did not happen and after Councillor Best had gone on the local radio to criticise the Gillard government for its failure to deliver on its promised GP superclinic, Mr Thomson retaliated on 15 July 2011 with the text message threat of, ‘Bye, bye, jobs incubator.’

Let us look at and note the terms of the council’s decision. As I said, they now wish to proceed. There is now a concern about whether the Gillard Labor government will still make available that $2.8 million funding, and I call on the government to confirm that that funding is still available. Obviously it has now become a lot more urgent, and I am not surprised because of the high levels of youth unemployment in this area. But isn't it interesting—there were six councillors who voted for the motion and, lo and behold, who voted against the motion but the ALP councillors? The ALP councillors voted against the motion. Right until the end, they were doing Mr Thomson's dirty work in council.

I now turn to another matter. Since May this year, I have been seeking the public release of attachments to the Fair Work Australia report into the Health Services Union and Mr Thomson. Those documents are referred to in the report and there are actually eight, not seven, lever-arch folders of documents, as the Senate Standing Committee on Education, Employment and Workplace Relations has refused to release publicly. I note the early morning raid on Mr Thomson’s home last week. Given matters on foot with the New South Wales and Victorian police, we await the outcome of those matters. It is now more likely that the ALP will do everything possible to make sure that those documents are not released and therefore not scrutinised publicly, as they should be. I will stop here as I am precluded from disclosing what I have read.

Given that Fair Work Australia is now pursuing these matters in the Federal Court, and in light of what I have seen and read, I am amazed that Mr Thomson continues to profess his innocence. Under further scrutiny, the documents could, for example, shed light on the nature of each individual misuse of funds and whether Mr Thomson was alone or in the company of other union or ALP luminaries when the misuse occurred.

This brings me to Mr Thomson's legal costs. In speeches last year I repeatedly referred to the quarter of a million dollars paid by the ALP for his costs and the circumstances surrounding that. My assertions were never denied by any person
opposite, by former Senator Arbib, who is alleged to have brokered that deal, nor by any other ALP figure.

I turn to who is paying Mr Thomson’s legal fees now. We know that Mr Thomson twice failed to properly disclose interests in his register of interests, including in relation to his legal fees. His letter was carefully couched and only referred to a ‘sum of money’ being paid. He also states that he has an open account with Kalantzis Lawyers. His register of interest discloses that he has no interest in real estate and that his home at Bateau Bay is owned by his wife, although he also discloses that both he and his wife have a mortgage with SGE Credit Union.

So how is Mr Thomson paying for his legal fees? As a former litigation lawyer, I understand well that litigation is not cheap. Who is paying for Mr McArdle? Do his fees include the growing media appearances he is making, while taking the opportunity to attack Mr Abbott? Mr McArdle, the principal of McArdle Legal, appears to be the new lawyer. His website describes himself as:

… one of approximately forty lawyers in New South Wales accredited by the Law Society of New South Wales as a specialist in Employment and Industrial Law. Chris has been in legal practice since 1988 and prior to that, served as a Commissioner of the Industrial Relations Commission of New South Wales.

I am sure he doesn't come cheap, despite Steve Lewis, in his article on 26 October, describing Mr McArdle as having:

… a long pedigree with the labour movement, starting his working life as federal industrial organiser with the Australian Workers Union in the 1970s.

The question that needs to be answered is whether the ALP is still paying for Mr Thomson’s legal fees in some backdoor way. Is there some arrangement with Mr McArdle that should be properly disclosed?

On the last occasion I referred to the rehabilitation of Mr Thomson and the increased presence of ministers visiting Dobell. I note that the ALP has deferred pre-selection in Dobell. Indeed, I understand that Mr Thomson is interested in standing for ALP pre-selection and has apparently told people in the ALP that he wants to run. I understand that this is the reason it has been left open. How else can one account for this sudden interest in high-profile ALP visits to Dobell to support a man who has had a whole series of findings made against him by Fair Work Australia which are now the subject of Federal Court proceedings; who is supposedly no longer welcome in the ALP caucus; whom the Prime Minister has supposedly distanced herself from; and who is the subject of investigations by both the NSW and Victorian police?

Is this just part of the plan to keep him in the tent or does Mr Thomson think he can ride out the storm and stand for pre-selection again next year? Given this man's history to date, I would call on the ALP to rule out ever pre-selecting Mr Thomson. Or is that Mr Thomson knows more than he is publically disclosing—that the protection racket is working both ways? Could the ALP be afraid that if he is not looked after he may disclose information which could be highly damaging and embarrassing to the party and to individuals? Only time will tell, but it is getting, in the words of Alice in Wonderland, 'curiouser and curiouser'.

Malala Yousafzai

Senator MOORE (Queensland) (21:57): I begin by acknowledging the efforts that members of this parliament have made, both in the House and the Senate, to wear red today. As you know, this is the Day for Daniel, which acknowledges the amazing work that the Morcombe family have done in Queensland and interstate on issues of child
Their work continues, and I think our celebration of Day for Daniel will continue into the future. Tonight, I speak about child safety in another country, and in another way.

‘Which one of you is Malala? Speak up, otherwise I will shoot you all,’ a hooded, bearded Taliban militant asked a bus full of schoolgirls on their way home earlier this month. ‘She is propagating against the soldiers of Allah, the Taliban. She must be punished,’ the Taliban militant shouted louder. The girls held together in the bus, but then the militant, recognising her, shot this young woman at point blank range and also injured other young women in the same vehicle.

We all know that girl now because of the international coverage of Malala Yousafzai, a 14-year-old Pakistani schoolgirl from the Swat Valley, where the Taliban have strictly enforced their own, personal, violent version of sharia law, over the last few years closing and destroying girls' schools all over that region. The Taliban's belief, which is public, is that young women should not be educated or, for that matter, ever leave their homes or be seen in public. In the Swat Valley there is clear evidence that this group has worked viciously to make sure that all residents obeyed these rules.

When the Taliban began closing schools in 2009, Malala was already an intelligent, bright 11-year-old girl, who had a love of learning and a highly tuned sense of the political climate of her own region. That year, when she was 11, she started writing a diary for the BBC—an insightful look into the realities of living under a militant regime that wanted women and girls to be invisible.

Malala wrote in her diary of fear, boredom and the everyday act of defiance that was going to school under the Taliban. I do not have the ability to read Urdu, but Malala's words have gone international, and I will read from the English translation of her diary:

I was getting ready for school and about to wear my uniform when I remembered that our principal had told us not to wear uniforms and come to school wearing normal clothes instead. So I decided to wear my favourite pink dress. Other girls at the schools were also wearing colourful dresses. During the morning assembly we were told not to wear colourful clothes as the Taliban would object to that as well. So what should we do?

Between 2007 and March 2009 we know that 172 schools were shelled, blasted or demolished. Around 23,000 girls and 17,000 boys could no longer go to school, according to the United Nations High Commission on Human Rights. Along with many locals in that period, that year Malala and her family left the Swat Valley when a government military operation attempted to clear the region of Taliban militants. This was in fact a war zone and people just had to move. ‘I am really bored because I have no books to read,’ she told a documentary-maker in 2009. Following the military's partial success in driving back the Taliban, Malala and her family were able to return to the Swat Valley later that year and she was able to go back to school, because that was what was important to her. With the strong encouragement of her father she began believing that she was stronger than anything that scared her, becoming in some ways the progress face of the Swat area.

Malala began to appear under her own name internationally instead of a pen name that she had used while writing her BBC diary. She became a very famous young woman. She began to appear on television and publicly advocated confidently for female education. She began to rise to prominence, giving interviews in print and on television and taking a position as
chairperson of the district child assembly in her home region. When she was nominated for the international Children's Peace Prize by Desmond Tutu last year and at the same time won Pakistan's first national Youth Peace Prize, her international standing as the clear advocate for Pakistani girls was assured. But as Malala became more and more active, the Taliban began to take more and more notice of her, and by this time this young woman was receiving death threats.

She told an interview with CNN in 2011: 'I have the right of education. I have the right to play. I have the right to sing. I have the right to talk. I have the right to go to market and I have the right to speak up.' All these simple, basic things that young women in Australia take for granted, all those rights which Malala spoke so clearly for, we have. Not only do we have them but we know that we have them. For those rights and for speaking out, Malala Yousafzai was shot in the head as she came home from school. She knew that this could happen, and I think this is the real challenge. This young woman knew the risks she was taking as they were made clear to her, and yet she continued to speak about her rights. When envisaging a confrontation with the Taliban, Malala said: 'I think of it often and imagine the scene clearly. Even if they come to kill me I will tell them that what they are doing is wrong, that education is our right.' Malala knew she was on a Taliban hit list but she did not back down.

The Taliban whose religious, social and political views are founded on a strong anti-woman ideology may be violent and aggressive, but none of them are as brave as this young woman. The Taliban commented after it was clear what they had done that:

For this espionage, infidels gave her awards and rewards. And Islam orders killing of those who are spying for enemies. We targeted her because she would speak against the Taliban while sitting with shameless strangers and idealised the biggest enemy of Islam, Barack Obama. We did not attack her for raising her voice for education. We targeted her for opposing mujahideen and their war. Shariah says that even a child can be killed if he is propagating against Islam.

Malala now, as we know internationally, is recovering in a British hospital. The Pakistani government have renewed their focus on the education of women and girls. We know that Pakistan has great need in this area. Currently Pakistan spend less than two per cent of their GDP on education, ranking them 127th out of 132 countries.

But we have seen that Malala through her actions and most recently through this horror which she has survived has drawn together Pakistan's people and people across the world. We know that Pakistanis, especially women, do not think that the statistics we have are enough. All over the country people are talking about the education of girls and directing their discontent towards the Taliban. Pakistan's Foreign Minister, Hina Rabbani Khar, the first woman to hold the job, has said that she thinks the shooting marked a turning point in the ferocity of how Pakistan goes after Taliban offenders and extremist groups.

Pakistanis at diplomatic, political and every level have been asking to take this matter seriously and not let the Taliban have a safe haven. The most heartening shows of support have come from young women and young men of Malala's age writing thousands of get-well cards, with the whole world seeming to echo the words of Malala's father, Ziauddin, who said: 'She is not just my daughter, she is the daughter of everyone. She is the sister of everyone.' Former British Prime Minister and now UN Special Envoy for Global Education, Gordon Brown, who was instrumental in making sure that the Millennium Development Goals were implemented not just in our world but across
every individual community, has declared 10 November to be a global day of action for Malala and the 32 million girls all over the world who have the right to education. According to the UNDP, Pakistan is ranked 120 out of 146 countries in terms of its gender related development index. Pakistan is far off achieving its Millennium Development Goal in universal primary education, which states:

Achieve Universal Primary Education

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

We know that education is a crucial foundation for living well to enable not only meaningful paid work but also genuine gender equality and the empowerment of women, which are essential to the wellbeing of all people and the communities in which they live.

There has been progress. Between 1992 and 2001 the proportion of rural girls completing six years of schooling increased from 41 per cent to 74 per cent across the world. But, despite this progress, a large number of socially excluded girls still miss out on primary education. We keep a record of this and we do value the statistics that are becoming much clearer across the world. I also want to talk about the annual plan report, Because I am a girl, where we can trace what is happening with young women across the world. The core issue of education remains one area where there has been progress but we need to do much more.

Pakistanis have come out across their country and most regions—as I think everybody who has heard the story of Malala have come out together—to say to the Taliban the catchcry, 'I Am Malala'. The young woman in my office, Jo, who helped research this particular speech, is 19 years old. When she was researching this she could experience some of the things that Malala was saying. There is only a small difference in age but the life experience is great. She said to me that in terms of her catchcry now she feels that she will be saying publicly, 'I am Malala'.

Malala's father made a statement in England that the most important thing for him and his family is to ensure that this message is continued. This sacrifice cannot be left without acknowledgement. People are learning of this story and are following Malala's story on her blog—because even in hospital she is continuing to make her message clear to the world about her rights. And now, as well as her right to education, there is clearly her right to live—and that is something that the world together is praying for as we move forward.

Jo said that when she finished doing this research she felt that she could say publicly, 'I am Malala'. Silencing the debate is no longer an option; countries all over the world have said that they must recognise their responsibilities to education for all people—for men, for women, for girls and for boys. There is no place in our world for extremist organisations like the Taliban. There is no place for this kind of violence. But there is a place for education, there is a place for a freedom and there is certainly a place for child safety. I think all of us here could actually say that our theme should be 'I am Malala'.

**O'Reilly, Mr William Joseph 'Bill'**

**Senator FAULKNER** (New South Wales) (22:10): Twenty years ago Australia lost one its greatest cricketers and most endearing characters, William Joseph O'Reilly—better known to all as Bill O'Reilly. O'Reilly's nickname was 'Tiger', and it is an apt description of his attitude to sport and life. He was a ferocious competitor on the field, and a fearless commentator on
the game. We should remember such a life and celebrate such a character.

Bill O'Reilly was born on 20 December 1905. His father, Ernest, a school headmaster in Western New South Wales, and his mother, Mina, raised four children. Perhaps the circumstances of Tiger's early life give us an inkling of his adult character. Perhaps Bill's competitive nature was nurtured at home where, being the youngest of three brothers, he had to struggle against his older siblings. Indeed, O'Reilly himself once said the reason he had focused on bowling was that his two elder brothers monopolised the batting.

In 1921 O'Reilly was sent to board at St Patrick's College, Goulburn. There he excelled academically and athletically, representing the school in rugby league, tennis and cricket. At a time when university remained out of reach for so many with limited means, O'Reilly, on graduating, won a scholarship to Sydney Teachers' College, Sydney University. While in Sydney he began playing grade cricket with North Sydney and, based on a single performance against Gordon, he was selected for the 1927-28 New South Wales squad.

Not long after, during a state trial at the SCG nets, legendary test spin bowler Arthur Mailey suggested that if O'Reilly ever wanted 'to get anywhere in the game' he should change his bowling grip. O'Reilly's terse reply was, 'I think I shall continue with this grip thanks, Mr Mailey'. The irony was that O'Reilly had already learned much from Mailey. In the early 1920s, O'Reilly's brother Jack had written to Tiger describing Mailey's technique based on his observations of Mailey bowling in the North Sydney practice nets. Having studied his brother's letter, Tiger maintained that within days he had perfected the art of changing the spin of the ball without any discernible change in hand movement.

This was typical of O'Reilly's approach to cricket—self-taught, parochial. His transient early life meant that he remained free of coaches' corrections. His technique was a unique product of his own efforts. The result was spectacular. As Jack Pollard put it, he:

... loped to the wicket, wrist cocked, arms flailing, face strained with emotion ... with his first and second fingers wrapped around the ball and the other fingers folded on to the palm of his vast hand, he bowled a leg break, a bousey and a top-spinner at disconcerting pace, turning the ball enough to find an edge or beat the bat, bouncing some deliveries like a tennis ball. He had an awkward stoop at the moment of delivery caused by bending his right knee. But there was remarkable rhythm in all the grotesque aspects of O'Reilly's delivery.

This grotesque rhythm would propel O'Reilly on to represent both his state and his country. In 1931-32 he emerged as the successor to Mailey in the New South Wales side. A poor showing for New South Wales playing South Australia was followed by figures of 7-132 against Victoria. Based on this performance, New South Wales captain and fellow spin bowler, Reginald Bettington, declared that O'Reilly was the greatest bowler in the world. Bettington made himself unavailable for the next game to ensure that O'Reilly would not be dropped. In the same season, the Tiger would take 10-127 against South Australia, and he was selected to represent Australia in the fourth test against South Africa.

In 1932-33, O'Reilly became a regular member of the test side, playing throughout the infamous Bodyline series. In a series dominated by England's controversial tactics, O'Reilly was Australia's leading wicket-taker with 27 wickets. This included a match-winning 10-wicket haul in the second test at Melbourne. One commentator described
O'Reilly's performance as 'the first flexing of that most menacing genius.' But despite his efforts with the ball and Bradman's endeavours with the bat, Australia lost the series. In 1934 Australia toured England and regained the Ashes. O'Reilly, along with Clarrie Grimmett, dominated the bowling. He finished the series with 28 wickets. In 1935 he was named one of Wisden's cricketers of the year.

O'Reilly would represent Australia for much of the rest of the decade. In a career interrupted by the outbreak of war, he played his final international series in 1946, where, aged 40, he captained an Australian tour of New Zealand. He finished his career with 144 test wickets at an average of 22.59.

After O'Reilly's death, Sir Donald Bradman described him as the greatest bowler he had ever faced or watched. Bradman's accolade is astonishing, because although their careers developed in parallel, neither man saw eye to eye. Their association was turbulent and longstanding. Their first encounter is the stuff of legend. In 1927, O'Reilly's train passed through Bowral on the way to Wingello. At Bowral, O'Reilly was persuaded to fill in for Wingello in their match against the hosts. On the opposing team was a 17-year-old Donald George Bradman, a boy with pads up past his navel, who would finish the day 234 not out, having been dropped twice by Wingello's captain, Selby Jeffery, early in his innings. On the first occasion, Jeffery, fielding at first slip, was hit in the chest by the ball while lighting his pipe. The second chance was grassed by the skipper who, in the words of O'Reilly, failed to see the ball amidst 'a dense cloud of bluish smoke'. Of course, Bradman and O'Reilly would go on to play Test Cricket together. Of his relationship with Bradman, O'Reilly was to write:

On the cricket field we had the greatest respect for each other. But off the field we had not much in common. You could say we did not like each other, but it would be closer to the truth to say we chose to have little to do with each other. Don was a teetotaller, ambitious, conservative and meticulous. I was outspoken and gregarious, an equally ambitious young man of Irish descent.

O'Reilly's comments remind us that early last century Australia was a different country—a country where sectarianism and class divisions shaped much of the social mores of the age. These once-deep divisions, if not now all but forgotten, have certainly been much diminished. O'Reilly and Bradman in many respects represented opposing sides of this divide. O'Reilly was proud of his working class Catholic heritage, and he fiercely defended those he thought had been unjustly treated by what he saw as a very prejudiced establishment. Many in this chamber would understand Gideon Haigh's parliamentary analogy: 'While Sir Donald walked the corridors of cricketing power, O'Reilly was the rambunctious backbencher'.

Bill O'Reilly brought this same rambunctious irreverence to his career as a columnist for the Sydney Morning Herald syndicated in the Age. O'Reilly criticised Australian Captain Ian Johnson during the 1956 Ashes tour. The Age reacted to this attack on a Victorian, and when O'Reilly refused to back down, his column was dropped by the Melbourne broadsheet.

Bill O'Reilly was published across the cricket-playing world in India, South Africa, England and New Zealand. He watched on disapprovingly as the gentlemen's game turned professional, and he remained until the end an ardent critic of what he characterised as 'pyjama cricket'. He wrote eloquently and passionately for over 40 years, saying:

As a writer on the game it has always been my one consuming resolve to tell my readers ... exactly what my personal reactions were to the events of the day. Not once did I ever spend time
racking my brain on what was the nice thing to say or the thoughts I should not let come through on paper. In my opinion that would have been cheating.

On 6 October 1992, Bill 'Tiger' O'Reilly died, aged 86. In 1988, the Sydney Cricket Ground's Pat Hills Stand was renamed in his honour. In 2000, he was named in the Australian Cricket Board's Team of the Century. But Bill O'Reilly was much more than just a cricketer. He was a writer—a very, very good one—he was an educator, and, had Doc Evatt had his way, he would have been a fine representative of the Australian Labor Party.

Each year since 2005, as close as possible to the 20 December, admirers have gathered at the Sydney Cricket Ground to celebrate the Tiger's birthday, reminisce about past glories and watch the annual Tiger Cup fixture between the SCG XI and the St George District Cricket Club. This year will be no exception.

The legendary Somerset bowler and writer, Ray Robertson-Glasgow, once said of O'Reilly:

He looked as if, under the necessary circumstances, he might have founded or sacked a city. It was a face and form as you might have seen in a picture of explorers or pioneers. At cricket he would have bowled till his boots burst and after. If only one cricket ball was left in the world, and that came to pieces in his hand, he would whiz down a leg-break with the largest fragment. He had the inspired joy of battle.

That was Tiger O'Reilly: fierce, fearsome and fearless.

Another Sydney Morning Herald columnist, the late Peter Roebuck, wrote:

O'Reilly was a great man and a wonderful writer. A fierce patriarch from the deepest bush, he had red hair, Irish blood, a fondness for beer, a penetrating mind, unwavering contempt for one-day cricket and absolute faith that sooner or later leg spin would return.

Leg spin did return in the form of SK Warne, who debuted for Australia in January 1992 beneath the O'Reilly Stand at the Sydney Cricket Ground, just months before Tiger's death.

I am one who admires Bill O'Reilly. I am also one who again looks forward to joining many others, from many walks of life, at the SCG to celebrate Tiger's birth at White Cliffs, New South Wales, on 20 December 1905.

Senate adjourned at 22:26

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.]

Acts Interpretation Act—Statements pursuant to subsection 34C(6) relating to the extension of specified period for presentation of reports—
Diplomatic Privileges and Immunities Act and Consular Privileges and Immunities Act—Privileges and Immunities Legislation Amendment Determination 2012 (No. 1) [F2012L02096].
Health Insurance Act—
Health Insurance (Allied Health Services) Amendment Determination 2012 (No. 4) [F2012L02095].
Health Insurance (Diagnostic Imaging Capital Sensitivity) Amendment Determination 2012 (No. 2) [F2012L02097].
Select Legislative Instruments 2012 Nos—
243—Health Insurance (Diagnostic Imaging Services Table) Regulation 2012 [F2012L02093].
The following government documents were tabled:

Army and Air Force Canteen Service (Frontline Defence Services)—Report for 2011-12.
Australian Curriculum, Assessment and Reporting Authority (ACARA)—Report for 2011-12.
Australian Institute of Criminology—Report for 2011-12.
Australian National Preventive Health Agency—Report for the period 1 January 2011 to 30 June 2012.
Australian Postal Corporation (Australia Post)—Reports for 2011-12—Annual report.
Equal employment opportunity program.
Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)—Report for 2011-12.
Australian Rail Track Corporation Limited (ARTC)—Report for 2011-12.
Classification Board and Classification Review Board—Reports for 2011-12.
Commonwealth Director of Public Prosecutions—Report for 2011-12.
Defence Housing Australia (DHA)—Report for 2011-12.

Department of Climate Change and Energy Efficiency—Report for 2011-12.


Department of Regional Australia, Local Government, Arts and Sport—Report for 2011-12, including report on the operation of the Protection of Movable Cultural Heritage Act 1986.

Department of the Prime Minister and Cabinet—

Annual report for 2011-12.


Food Standards Australia New Zealand—Report for 2011-12.


Healthcare Identifiers Act 2010—Reports for 2011-12—

Compliance and enforcement activities—Australian Information Commissioner.

Healthcare Identifiers Service operator—Department of Human Services.

Independent Hospital Pricing Authority (IHPA)—Report for the period 15 December 2011 to 30 June 2012.


Mid-year economic and fiscal outlook—2012-13—Statement by the Treasurer (Mr Swan) and the Minister for Finance and Deregulation (Senator Wong).


National Mental Health Commission—Report for the period 1 January to 30 June 2012.


Personally Controlled Electronic Health Records Act 2012—Reports for the period 29 to 30 June 2012—

Compliance and enforcement activities—Australian Information Commissioner.

System operator activities—Department of Health and Ageing.


Public Lending Right Committee—Report for 2011-12.


Tourism Australia—Report for 2011-12.
Treaties—Bilateral—Text, together with national interest analysis—
Loan Agreement between Australia and the International Monetary Fund (Tokyo, 13 October 2012).
The following answers to questions were circulated:

**Defence: Submarines**

(Question No. 2079)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 20 August 2012:

As at 30 June 2012:

(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 given the great difficulty, in 2011-12, of manning and operating the current fleet of submarines?

(3) What is the expected cost of acquiring 12 future submarines, over the next: (a) 12 months; (b) 5 years; (c) 10 years; and (d) 15 years?

(4) What funding has been provided to assist in the planning for the 12 future submarines?

(5) When is it expected that the first pass approval will be provided to advance the purchase of the 12 future submarines?

(6) What are 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 and operating the existing 6 Collins Class submarines until they are de-commissioned, broken down by year until 2025?

(9) What is the specific phasing-out program for the existing Collins Class submarines?

**Senator Bob Carr:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Yes.

(2) Crewing requirements for the future submarines are yet to be determined and will depend on a range of factors that will be examined by the SEA1000 program. Appropriate crewing strategies will be developed as part of this process.

(3) Options are currently being developed and are yet to be considered by government.

(4) Funding allocated to date is $233.35 million.

(5) On current schedule, first pass approval is planned for late 2013 or early 2014.

(6) and (7) As a decision is yet to be taken on the platform to be acquired, this has not yet been determined.

(8) As detailed in the 10-year Budget maintained by Defence, the estimated costs of maintaining and operating the existing six Collins Class submarines until 2021-22 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated maintenance (sustainment) costs (Note 1)</td>
<td>499.2</td>
<td>551.7</td>
<td>552.5</td>
<td>511.3</td>
</tr>
<tr>
<td>Estimated Operating Costs (Note 2)</td>
<td>170.9</td>
<td>173.5</td>
<td>181.9</td>
<td>195.4</td>
</tr>
</tbody>
</table>
Estimated maintenance costs will range from $570m to $670m/year
Estimated Operating Costs will range from $200m to $230m/year
Estimated Total maintenance and operating costs will range from $770m to $900 m/year

Notes:
1. Maintenance costs cover all sustainment costs including: the conduct of all planned and corrective maintenance across the submarine fleet; inventory; the replacement of equipment becoming obsolete with age; maintenance of training equipment within the Submarine Training Systems Centre; upkeep of the Submarine Escape Training Facility; funding for the contracted submarine escape and rescue service; and participation in armaments cooperative programs with the United States Navy for ongoing joint development of the submarine combat system and heavy-weight torpedo.
2. In Service Support Contract costs will vary from year to year depending on the number of submarines in planned maintenance. The significant drop in costs in FY2015/16 reflects the lower number of planned submarine maintenance periods across that financial year.
3. Operating Costs for Submarines include: Relevant military employee costs across Defence and DMO; relevant civilian employee cost in Navy; and other operating costs including fuel and cost of sustaining explosive ordnance.

(9) The Collins class submarines have a design life of 28 years. The first submarine is currently planned to reach the end of its service life in 2026, with the final submarine planned to be withdrawn from service in 2031. A Service Life Evaluation Program (SLEP) is currently examining the possibility of a life extension for the Collins Class submarine.

Using a similar SLEP approach, other navies have successfully extended the design life of their submarine fleets; the United States Navy extended the life of the Ohio class submarine fleet from 30 to 40 years.

**Defence: Reserves Training**

(Question No. 2089)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 20 August 2012:

For the period 1 January to 30 June 2012:
(1) (a) How many training days have been allocated to Reserves in each state and territory; and (b) what is the budget allocation to provide these training days?
(2) (a) How many training days were actually used by Reserves in each state and territory; and (b) what was the actual expenditure to provide these training days?

Senator Bob Carr: The Minister for Defence has provided the following answer to the honourable senator's question:

Army

(1) (a) and (b) Army Reserve Training Days are not allocated per se, as differing ranks and trades have a different cost per day. An Army Reserve Training Salary budget is allocated to Commands and then to Units. For Financial Year 2011/12, Army's total Army Reserve Training Salary budget allocation was $130.783 million. The amount expended during the second half of the Financial Year 2011/12 was
$65.657 million. It should be noted that the initial allocation at the beginning of Financial Year 2011/12 was $122.281 million which was continuously adjusted throughout the Financial Year in response to the dynamic budget prioritisation process.

(2) (a) Approximately 357,780 Army Reserve Training Days were used by Army on a National basis in the second half of Financial Year 2011/12.

(b) An approximation, based upon a pro-rata calculation of the number of Active Reserve personnel in each state, as at 30 June 2012, and the actual expenditure to provide those Army Reserve Training Days, is as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Total ARes Pers</th>
<th>% of ARes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>972</td>
<td>5.85</td>
<td>$3.841m</td>
</tr>
<tr>
<td>NSW</td>
<td>4742</td>
<td>28.52</td>
<td>$18.725m</td>
</tr>
<tr>
<td>NT</td>
<td>677</td>
<td>4.07</td>
<td>$2.672m</td>
</tr>
<tr>
<td>QLD</td>
<td>3912</td>
<td>23.53</td>
<td>$15.298</td>
</tr>
<tr>
<td>SA</td>
<td>1195</td>
<td>7.19</td>
<td>$4.721m</td>
</tr>
<tr>
<td>TAS</td>
<td>593</td>
<td>3.57</td>
<td>$2.344m</td>
</tr>
<tr>
<td>VIC</td>
<td>2824</td>
<td>16.98</td>
<td>$11.149m</td>
</tr>
<tr>
<td>WA</td>
<td>1713</td>
<td>10.30</td>
<td>$6.763m</td>
</tr>
<tr>
<td>Totals</td>
<td>16628</td>
<td>100</td>
<td>$65.657m</td>
</tr>
</tbody>
</table>

Navy

(1) and (2) (a) and (b)

The information is provided for the 12 month Financial Year rather than just the 6 months as requested.

Navy Reserve Day Allocation by State FY 11/12 - does not include self funded positions in non-Navy Groups.

<table>
<thead>
<tr>
<th>State</th>
<th>Allocation of Navy Reserve days</th>
<th>Achieved</th>
<th>Salary allocated ($)</th>
<th>Salary achieved ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>17129</td>
<td>15089</td>
<td>5,366,216</td>
<td>4,745,960</td>
</tr>
<tr>
<td>NSW</td>
<td>24752</td>
<td>21901</td>
<td>6,699,233</td>
<td>5,978,489.5</td>
</tr>
<tr>
<td>QLD</td>
<td>9681</td>
<td>8053</td>
<td>2,351,526</td>
<td>2,011,373</td>
</tr>
<tr>
<td>VIC</td>
<td>4937</td>
<td>4788</td>
<td>1,304,357</td>
<td>1,266,094</td>
</tr>
<tr>
<td>NT</td>
<td>2123</td>
<td>1824</td>
<td>462,289</td>
<td>401,126</td>
</tr>
<tr>
<td>SA</td>
<td>2297</td>
<td>2127</td>
<td>491,902</td>
<td>447,368</td>
</tr>
<tr>
<td>TAS</td>
<td>3255</td>
<td>3060</td>
<td>687,388</td>
<td>650,937</td>
</tr>
<tr>
<td>WA</td>
<td>7805</td>
<td>7287</td>
<td>1,835,149</td>
<td>169,779</td>
</tr>
<tr>
<td>Totals</td>
<td>71979</td>
<td>64129</td>
<td>19,198,060</td>
<td>15,671,126.5</td>
</tr>
</tbody>
</table>

Air Force

(1) (a) and (b)

Air Force Allocation

<table>
<thead>
<tr>
<th>Days</th>
<th>Budget ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>30,963</td>
</tr>
<tr>
<td>ACT</td>
<td>10,000</td>
</tr>
<tr>
<td>VIC</td>
<td>13,179</td>
</tr>
<tr>
<td>QLD</td>
<td>29,880</td>
</tr>
<tr>
<td>WA</td>
<td>7,152</td>
</tr>
</tbody>
</table>
### Defence

(Question No. 2103)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 23 August 2012:

Since becoming Minister for Defence, why has the Minister failed to provide: (a) any briefings to the Shadow Minister in relation to the numerous subject areas requested; and (b) answers to questions on notice within a reasonable timeframe?

**Response:**

**Senator Bob Carr:** The Minister for Defence has provided the following answer to the honourable senator's question:

(a) Defence is committed to providing Members and Senators information and briefings on a broad range of Defence issues. The table below lists the briefings provided to the Shadow Minister since September 2010, including briefings provided to Committees of which he is a member, as well as future scheduled briefings. It does not include information on other Public Hearings (including Senate Estimates) or visits to Defence Establishments.

<table>
<thead>
<tr>
<th>Name of briefing</th>
<th>Date briefing provided</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting with Commander Joint Health Command to discuss health issues and treatment of a former member of the ADF.</td>
<td>14 September 2010</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Private Briefing (in the lead-up to Estimates)</td>
<td>22 February 2011</td>
<td>Senate Standing Committee on Foreign Affairs, Defence and Trade's Legislation Committee</td>
</tr>
<tr>
<td>Name of briefing</td>
<td>Date briefing provided</td>
<td>Committee</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Improvised Explosive Devices (IEDs)</td>
<td>1 March 2011</td>
<td>Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade (JSCFADT)</td>
</tr>
<tr>
<td>Asia-Pacific Civil-Military Centre of Excellence</td>
<td>22 March 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Defence Department's Fairness and Resolution Branch</td>
<td>14 June 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Submarine Project – Part 1</td>
<td>21 June 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Submarine Project – Part 2</td>
<td>5 July 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Joint Strike Fighter</td>
<td>16 August 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Chief of Defence Force</td>
<td>17 August 2011</td>
<td>JSCFADT</td>
</tr>
<tr>
<td>Counter Insurgency</td>
<td>23 August 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Army's Adaptive Campaigning Concept</td>
<td>13 September 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Wounded Soldier Care</td>
<td>20 September 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Private Briefing (in the lead-up to Estimates)</td>
<td>11 October 2011</td>
<td>Senate Standing Committee on Foreign Affairs, Defence and Trade's Legislation Committee</td>
</tr>
<tr>
<td>Chief of Army</td>
<td>11 October 2011</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
<tr>
<td>Army Projects – Land 121 and Land 400</td>
<td>12 October 2011</td>
<td>JSCFADT</td>
</tr>
<tr>
<td>Chief of Air Force</td>
<td>2 November 2011</td>
<td>JSCFADT</td>
</tr>
<tr>
<td>Chief of Navy</td>
<td>23 November 2011</td>
<td>JSCFADT</td>
</tr>
<tr>
<td>Private Briefing (in the lead-up to Estimates)</td>
<td>8 February 2012</td>
<td>Senate Standing Committee on Foreign Affairs, Defence and Trade's Legislation Committee</td>
</tr>
<tr>
<td>Armed Reconnaissance Helicopter (ARH) Capability</td>
<td>13 March 2012</td>
<td>Defence Sub-Committee of the JSCFADT</td>
</tr>
</tbody>
</table>
Name of briefing | Date briefing provided | Committee
---|---|---
Joint Strike Fighter (Classified Briefing) | 19 June 2012 | JSCFADT Defence Sub-Committee of the JSCFADT
Future Submarine Capability (Classified Briefing) | 19 June 2012 | JSCFADT
Multi-Role Helicopter (MRH) Capability | 26 June 2012 | Defence Sub-Committee of the JSCFADT
Employment of Women in the ADF | 14 August 2012 | Defence Sub-Committee of the JSCFADT
Air 8000 Phase 2 (Caribou Replacement) | 21 August 2012 | Defence Sub-Committee of the JSCFADT
Reserve Capability | 11 September 2012 | Defence Sub-Committee of the JSCFADT
Force Protection of ADF Members and Improvised Explosive Devices (Classified Briefing) | 18 September 2012 | Defence Sub-Committee of the JSCFADT
Ethnic and Indigenous Recruiting | 27 November 2012 | Defence Sub-Committee of the JSCFADT

(b) The Defence portfolio receives a large number of Questions on Notice from both Houses of Parliament and Committees, including pursuant to Committee hearings. Many of these questions relate to complex, highly technical national security issues which require significant effort to address. It is important that responses to these questions provide correct information. Accordingly, it is important to take the necessary time to ensure the answers are correct.

In relation to the House of Representatives, in 2012 the Government has responded to 31 Questions on Notice relating to the Defence portfolio as at 15 October.

In relation to the Senate, in 2012 the Government has responded to 298 Questions on Notice relating to the Defence portfolio as at 15 October.

In relation to Questions from Committees or arising from Committee hearings, Defence took on notice 49 questions on the day and 222 questions in writing from Senators following the 2012 Budget Estimates hearings in May, for a total of 271 questions. In total, these 271 questions compromised 569 sub questions.

Of the 271 Questions on Notice:
- 134 questions related to Capability;
- 68 questions related to Finance;
- 27 Questions related to personnel matters;
- 8 Questions related Ministerial matters; and
- the remaining 34 questions related to various subject including Operations, Media monitoring, Reviews and Board Appointments.
As at 16 October, responses to all 271 questions have been provided to the Committee, in advance of the forthcoming Supplementary Budget Estimates hearings.

Of the 271 questions, the majority, 262, were lodged by 5 October.

The 271 Questions on Notice from the May Budget Estimates hearings was an increase from February’s Additional Estimates hearing where Defence received 219 Questions on Notice.

**Sustainability, Environment, Water, Population and Communities**

**Question No. 2127**

Senator Rhiannon asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 31 August 2012:

(1) Is the Minister aware that Federal funding towards the Orange pipeline project in Central West New South Wales will have a direct impact on the population of threatened fish species recognised to be of national environmental significance.

(2) Can details be provided of any investigation or review the departmental Environmental Protection and Biodiversity Conservation Unit has conducted into the environmental assessment report prepared for the project, including: (a) the outcome of any investigation or review process; and (b) how the project is being tracked by the department.

(3) Has the department had any contact with the project proponents or the consent authorities; if so, what was the nature of that contact.

(4) Will the Government undertake to maintain the allocated $20 million funding for a broader regional solution to Orange City water supply security that does not include the pipeline project

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator's question:

(1) The Department of Sustainability, Environment, Water, Population and Communities (the department) is currently assessing the proposed Orange pipeline project under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). This assessment includes consideration of the EPBC Act listed threatened Trout Cod.

(2) The proposal is being assessed under the EPBC Act through an accredited assessment of the NSW Environmental Planning and Assessment Act 1979. The department recently conducted an adequacy review of the draft NSW Environmental Assessment document. The Environmental Assessment is on public exhibition until Monday 15 October 2012.

(3) Yes. As part of its consideration of the proposal, the department has been in contact with the Orange City Council in their role as the proponent for the project, and with the NSW Department of Planning and Infrastructure, who is the state consent authority.

(4) The Australian Government will only consider whether it is appropriate to contribute funding for alternative water supply options for Orange if construction of the Macquarie to Orange pipeline is not approved.

**Palestine**

**Question No. 2128**

Senator Rhiannon asked the Minister for Foreign Affairs, upon notice, on 31 August 2012:

With reference to reports citing information provided by the European Commissioner for enlargement and neighbourhood policy, that Israel has destroyed development projects in Palestine worth €49.2 million over the past decade, €29.4 million of which was funded by the European Union or
its member states: can details be provided of the purpose and value of any Australian-funded projects in Palestine that have been destroyed by Israel.

Senator Bob Carr The answer to the honourable senator’s question is as follows:

(a) No Australian funded projects in Palestine have been destroyed by Israel.

(b) Australian Government is aware of reports that demolition orders were issued in June 2012 against approximately 50 structures in Susiya village, South Hebron.

– Two of these structures are tents funded by AusAID through a $2,500 grant to ActionAID Australia under the Australia NGO Cooperation Program in 2011

• one tent houses the local pre-school for 35 children, and

• the other tent houses a local health clinic which provides 60 medical consultations per week for women and the elderly.

– Australia has expressed concern to the Israeli authorities about the proposed demolitions and is committed to working with the Israeli authorities to find a solution which avoids demolition of these structures.

Ambassador to the Holy See
(Question No. 2133)

Senator Rhiannon asked the Minister for Foreign Affairs, upon notice, on 4 September 2012:

With reference to the appointment of Mr John McCarthy as ambassador to the Holy See: were any other candidates considered for the position; if so, who?

Senator Bob Carr: The answer to the honourable senator’s question is as follows:

Yes, other candidates were considered. We do not discuss the details of potential candidates for HOM appointments.

Australia Post: 2012 Olympic Games
(Question No. 2157)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 11 September 2012:

(1) What was the total expenditure by Australia Post on: (a) the sponsorship of; and (b) hospitality at, the 2012 Olympic Games in London.

(2) Can a list be provided detailing all functions and events hosted by Australia Post in London during the Games, including: (a) where each function was held; and (b) the stakeholders and others invited to each event.

(3) Can a detailed breakdown of costs be provided for the total expenditure on: (a) travel; and (b) accommodation, by Australia Post for its chief executive officer and all other employees and representatives in regard to the Games.

(4) What airline was used by Australia Post representatives for travel to and from London.

(5) At what locations did Australia Post representatives stay in London, including the cost per night of each hotel.

(6) Did Australia Post employ any contractors to assist with the sponsorship and hosting of events in relation to the Games; if so, can a list be provided detailing each organisation and the total cost of those services.
Senator Conroy: The answer to the honourable senator's question is as follows:

(1) By way of background, Australia Post has a long and proud association with the Australian Olympic Team having sponsored them for five out of the six most recent Olympics. Hospitality is one of the benefits derived from sponsorship of the Olympics. Details of Australia Post's sponsorship arrangement with the Australian Olympic Committee are commercial-in-confidence.

Engaging in corporate hospitality by entertaining clients is a common activity in companies across a range of industries. Australia Post operates in an incredibly competitive landscape, particularly in the area of parcel delivery, competing against Toll, UPS, DHL and TNT to name but a few. UPS is a major global sponsor of the Olympics.

Australia Post monitors the benefits gained from all of its sponsorship activities, including new business that is generated, to ensure that it receives maximum return on investment, consistent with proper commercial practice. The total costs of the sponsorship and hospitality are less than the direct revenue derived from the sponsorship and significantly less than the total benefits generated by the sponsorship.

Specific benefits generated by Australia Post's association with the London Olympics include:

- Revenue generation in excess of $8 million to date and growing.
- New commercial relationships including provider sign-ons for the Australia Post Digital MailBox.
- School children writing over 120,000 letters to their favourite athletes via Australia Post's Letter Link program.
- Over 1000 school teachers visiting Australia Post's online education site per day in the lead up to the Olympics.
- Staff rewarded through the Olympics Posties competition, which resulted in five Australia Post employees working in the Olympic and Paralympic Athletes' Village post office.
- Ongoing recognition as a major sponsor of the Australian Olympic Team and brand exposure through that sponsorship.

(2) Australia Post invited key customers and corporate partners to Olympic sporting events (eg swimming and athletics). Australia Post also co-hosted an event with Qantas at Hampton Court Palace. Specific details about individual events and invitees, who constitute Australia Post's major customer base, are commercial-in-confidence.

(3) 11 Australia Post staff members attended the Olympic Games, including three Australia Post staff members who worked in the Athletes' Village Post Office delivering mail to the Australian Olympic team. Approximate costs for accommodation and airfares are:

- Airfares $130,000
- Accommodation $150,000

(4) Qantas.

(5) Australia Post's hotel base in London was the Sofitel St James. This is the same hotel used by other Australian corporate sponsors such as Qantas. Approximate costs per person, per night were $400 including taxes and breakfast. This was a premium rate due to the Olympic Games.

(6) Cartan Global was employed to manage the logistics for Australia Post's presence at the Olympic Games. The cost of this service is commercial-in-confidence.
Prime Minister  
(Question No. 2158)

Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 11 September 2012:

With reference to the answer provided to question on notice no. 1880 (Senate Hansard, 23 August 2012, proof p. 94) in which it was advised that the Prime Minister (Ms Gillard) undertook a range of official duties on 3 April 2012, and an Acting Prime Minister was not appointed:

(1) Has the Prime Minister, or the Prime Minister's office, been made aware of the AM program on 4 April 2012, in which Alexandra Kirk stated "Julia Gillard's office says it wasn't able to contact her last night for comment".

(2) Is the statement made by Ms Kirk correct; if so, why was the Prime Minister unable to be contacted; if not, has any action been taken to correct the statement.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

(1) No.

(2) Not applicable.

Child Support Agency  
(Question No. 2159)

Senator Johnston asked the Minister for Human Services, upon notice, on 13 September 2012:

With reference to the Commonwealth Ombudsman's report Child Support Agency [CSA], Department of Human Services: Responding to allegations of customer fraud (Report No. 12/2008), which made five recommendations in relation to customer fraud that were accepted by the then General Manager of the CSA:

(1) Have the five recommendations been fully implemented.

(2) For each year since the publication of the report, how many matters have been referred to the Commonwealth Director of Public Prosecutions under sections 159 or 159A of the Child Support (Assessment) Act 1989.

Senator Kim Carr: The answer to the honourable senator's question is as follows:

(1) Yes.

(2) No matters have been referred to the Commonwealth Director of Public Prosecutions under sections 159 or 159A of the Child Support (Assessment) Act 1989.

Ethiopia-Australia Intercountry Adoption Program  
(Question No. 2161)

Senator Boyce asked the Minister representing the Attorney-General, upon notice, on 17 September 2012:

With reference to the closure of the Ethiopia-Australia Intercountry Adoption Program, and the fact that, according to freedom of information documents, the decision not to renew the program was made prior to 20 January 2012:

(1) On what basis did the department arrange a trip to Ethiopia and communication about that trip in April 2012, despite the decision to close the program having already been made.
(2) Why did the department not complete the files that were in country and provide a 12 month wind-down of the program.

(3) Why was the program not suspended given that, for example, one file was called to leave Australia for Ethiopia in November 2011 despite the program's imminent termination.

(4) Given the department's confirmation that refunds will be provided to affected families for the overseas component of the adoption application, whilst uncertainty remains as to whether state departments will reimburse costs and fees associated with assessments, has the department conducted any follow-up with state departments in order to ensure that families are reimbursed for total fees paid; if not, what steps will the department take to ensure that state departments reimburse families.

(5) In regard to the administration of the program in Tigray:
   (a) why did the department arrange for a female representative to hold discussions concerning community programs and suitable orphanages in Tigray, despite known gender-equality issues in the region;
   (b) was this situation sensitively handled and did the Australian representative speak Tigrian; and
   (c) why did the department not employ advisors with the necessary cultural needs experience in Ethiopia.

(6) Why is Australia's performance in intercountry adoption processes comparatively poor, despite fees being significantly higher than in other countries.

(7) Why does Australia spend more money, yet apparently accomplishes less, than other countries in relation to intercountry adoptions, and has the department considered that an independent not-for-profit organisation, with accountability to the department, may be better positioned to run the program.

Senator Ludwig: The Attorney-General has provided the following answer to the honourable senator's question:

(1) There was no decision to close the Program before 20 January 2012. I made an in-principle decision to close the Program on 24 April 2012 and the final decision on 12 June 2012. The Department's pre-scheduled delegation visit to Ethiopia from 27 April to 11 May 2012 reassessed the ongoing viability of the Program, and confirmed that ongoing challenges remained which meant that the Program could not continue to operate.

(2) I considered the possibility of 'completing' the files that were in Ethiopia at the time of closure; that is, matching Ethiopian children to Australian prospective adoptive parents before closing the Program. However, this was not appropriate for a number of reasons. First, as no children had been referred to the Program for intercountry adoption at that time, this approach would have created pressure for children to be located who were of ages and characteristics matching those of children for which files in Ethiopia were approved.

In addition, there were a number of resource intensive steps, each with its own challenges, which would have needed to be completed before the Program could operate, even to process a limited number of files. These steps included:

- Identifying and establishing arrangements with a new service provider with capacity to provide adoption services (such as a transition house) to the Program,
- Identifying and establishing a community development project with appropriate separation between the Program and children referred to it for intercountry adoption (in order to avoid the unintentional effect of encouraging communities to relinquish children for adoption),
- Attaining regional Governmental approval to operate the Program and the community development program, and
- Increasing fees to cover rising operational costs due to high inflation in Ethiopia.
Given lengthening waiting times and the continued uncertainty in the Ethiopian adoption process, I could not justify taking those steps.

(3) My in-principle decision to close the Program was made on 24 April 2012. Prior to that decision, my Department continued to manage the Program as usual.

In late 2011, it was agreed by the Australian Government and all State and Territory Central Authorities that a temporary halt on sending new files to Ethiopia was necessary because of the number of families travelling to Ethiopia to complete the adoption process at the same time.

In mid-January 2012, the Department (in consultation with the Australian Representative) came to the view that it would not be possible to continue the 12-month orphanage agreement with Tesfa Elderly and Children Support Organisation (Tesfa), which meant that the halt would remain in place while arrangements were explored with potential new orphanages.

(4) Prospective adoptive parents paid fees to their relevant State or Territory Central Authority for work undertaken in relation to their applications. When I wrote to the State and Territory ministers on 25 June 2012 advising them of my decision to close the Program, I urged them to consider whether those fees were capable of being refunded. Ultimately, however, the decision to refund fees rests with those State and Territory ministers. I understand that, in some cases, refunds have been approved or other fees have been waived.

(5) My Department is confident that the Program's Australian Representative, an Ethiopian born in the Tigray region, fluent speaker of Tigrain, Amharic and English, holder of an Associate Degree of Law and former judge of ten years in Addis Ababa, competently performed her role.

The Australian Representative was also assisted by the Program's Africa Advisor, Dr Tsegaye Berhe. For 30 years, Dr Tsegaye was the Director of Child and Family Affairs for the Ethiopian Orthodox Church and is well-versed in issues of child welfare. Dr Tsegaye's role as Africa Advisor involved providing specialist advice and consultation on Ethiopian intercountry adoption and related matters and administrative support services to the Australian Representative.

To the best of my Department's knowledge, the existence of any gender equality issues in the Tigray region did not adversely affect the Australian Representative's performance of her role.

(6) The decrease in intercountry adoption in Australia reflects a worldwide downturn of 36% since 2004, with a reduction in the worldwide number of intercountry adoptions from 43,142 in 2004 to 27,552 in 2010 (International Social Service). The United States, the largest ‘receiving country’ of children through intercountry adoption, experienced a decline of 52% in intercountry adoptions between 2004 and 2010 (United States Department of State). During the same period, Australian intercountry adoptions fell by 40%, an overall reduction in number from 370 in 2003-04 to 222 in 2009-10 (Australian Institute of Health and Welfare).

Australian families typically pay two kinds of adoption fees – State or Territory processing fees paid directly to the Australian State or Territory Central Authority that is assessing the family and preparing their application, and country program fees set by, and paid to, the overseas body which is facilitating the adoption. The latter vary between country programs and range from less than US$1000 up to US$15,000 depending on the country program.

The cost of undertaking an intercountry adoption varies widely throughout the world, with some costing up to AU$60,000. There is no indication that the fees charged by Australia's States and Territories are markedly higher than other countries' fees.

(7) This option was considered in 2009. This included consideration of alternative models for the operation of intercountry adoption in Australia, including a review of the advantages and disadvantages of a State or national-based system of accreditation for non-government bodies. The Community and Disability Services Ministers' Advisory Council agreed to retain the existing model of intercountry adoption service delivery at that time.
Sustainability, Environment, Water, Population and Communities

(Question No. 2162)

Senator Waters asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 13 September 2012

(1) Can details be provided of all actions currently being taken by the department, directly or through third parties, that are intended to: (a) protect the Greater Bilby from feral cats and other pests in Queensland; and (b) protect the habitat of the Greater Bilby in Queensland.

(2) What is the Federal Government doing to engage the broader Queensland community in protecting the Greater Bilby and its habitat.

Senator CONROY: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator's question:

(1) A national recovery plan for the greater bilby was adopted under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) in 2007 and is currently being revised.

Within Queensland, the Department of Environment and Heritage Protection and the Department of National Parks, Recreation, Sport and Racing are the lead agencies responsible for coordinating the implementation of on-ground actions identified in the national recovery plan.

Predation by feral cats is recognised as a key threatening process under the EPBC Act. A threat abatement plan for predation by feral cats was made to provide national action, guidance and coordination to abate the threat from feral cats on biodiversity.

The Australian Government has recognised that the greatest need in feral cat control is for a broad-scale, cat-specific toxic bait for use in conservation areas. The Curiosity® feral cat bait has been developed and is currently undergoing field trials to gather the necessary efficacy data to register the bait. The government has committed $3.96 million to this project between 1996 and 2012. Once registered and commercialised the Curiosity® feral cat bait will be available to conservation managers.

Threat abatement plans have also been developed for other feral animals that pose a threat to the greater bilby, including foxes and rabbits.

A large part of the greater bilby's Mitchell Grassland habitat in the Channel Country of outback Queensland is included in Astrebla Downs National Park.

At Currawinya National Park an area of 25 square kilometres is protected within an electrified boundary fence built with donations from a not for profit organisation the 'Save the Bilby Fund' and with assistance from the Queensland Parks and Wildlife Service. It is the only site in Queensland where the greater bilby has been reintroduced into the wild.

There are 19 projects totalling over $5.5 million over the past 5 years of the Caring for our Country initiative that directly address threat abatement issues, these were funded through various Business Plans.

Regional funding is provided for the 3 Natural Resource Management Regions, an investment of nearly $20 million over the past 5 years. A significant proportion of this would be used to address threat abatement activities.

(2) In addition to the above, a specific objective identified in the national recovery plan for the greater bilby is to inform and involve the community and all stakeholders in the recovery process.

Community engagement in greater bilby protection is actively being pursued by the 'Save the Bilby Fund'.
Special Broadcasting Service: Complaints
(Question No. 2165)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 14 September 2012:

With reference to the Dateline report 'The Last Frontier' broadcast on 21 August 2012, and the response of the Special Broadcasting Service (SBS) Ombudsman to a formal complaint:

(1) What were the specific findings of the SBS Ombudsman.
(2) How were these specific findings acted upon by SBS.
(3) Were viewers informed that 'the totality of the report was inaccurate and misleading', as noted in the SBS Ombudsman's response; if not, why not.

Senator Conroy: The answer to the honourable senator's question is as follows:

(1) Two formal complaints have been finalised by the SBS Ombudsman. The complainants were Ta Ann Tasmania and Hydro Tasmania. The SBS Ombudsman's responses to each complaint are set out below. SBS notes that the SBS Ombudsman's responses have been published by SBS on the Dateline program website and are also available on the Ta Ann Tasmania and Hydro Tasmania websites

Ta Ann Tasmania – The SBS Ombudsman reported:


"After a review of the program against the provisions of Code 2.2 (Accuracy, Impartiality and Balance) of the SBS Codes of Practice, and considering your complaint, the program was found to have breached the provisions of the code.

"The report was found to be inaccurate in two of three areas identified in your complaint.

"First, Mr Rolley did not say the words attributed to him about plantation and regrowth timber. Secondly, as you know, there is a difference between a contract to log, that is go into an area and fell trees, and a contract for the supply logs from trees felled (logged) by others. In this case, Forestry Tasmania supplies Ta Ann Tasmania (a manufacturing company) with already felled timber, which Ta Ann Tasmania processes to produce a range of timber products. It is inaccurate, and in breach of Code 2.2, to say that Ta Ann Tasmania is a logging company.

"I find that the report that 50 workers were retrenched was not inaccurate, being an accurate reflection of what was said by Mr Rolley. It is not inaccurate to say that Ta Ann Tasmania retrenched 50 Tasmanian workers" when Ta Ann Tasmania's executive director said that "we've had to sack 50 people".

"On balance the report breached Code 2.2 with respect to accuracy, balance and impartiality. Put shortly, the program did not include accurate and balancing material that was available and did not include a response from Ta Ann on key questions. It unduly favoured the views critical of Ta Ann (both Ta Ann Tasmania and Ta Ann Holdings Berhad, the Malaysian company) and "Hydro Tasmania over both the facts and appropriate balancing views. In addition the relationship between Hydro Tasmania and with Sarawak Energy Berhad (SEB) was misreported and misrepresented. I consider that the totality of the report was inaccurate and misleading.

"On 28 August 2012 The Executive Producer of Dateline, Peter Charley, informed you that a change would be made to the program and transcript in relation to the removal of the words "and regrowth". However, SBS now considers that in light of this finding that it will broadcast a correction and apology on Dateline 4th September 2012. The wording of the correction is a management matter and not a duty of the SBS Ombudsman."
Hydro Tasmania – The SBS Ombudsman reported:


"After a review of the program against the provisions of Code 2.2 (Accuracy, Impartiality and Balance) of the SBS Codes of Practice, I found that the program was inaccurate as identified in your complaint.

"The statements made about the role of Hydro Tasmania are not accurate. The annual reports of Hydro Tasmania for 2009 to 2010 and 2010 to 2011 are available online. The annual reports reveal that Hydro Tasmania's connection with the Sarawak Energy Board is that Hydro Tasmania provides consultancy and training services through its consulting services business, Entura. That was not correctly and fairly reported.

"Further, the totality of the report was inaccurate and misleading. On balance I find that the report breached Code 2.2 in respect of accuracy, balance and impartiality. The relationship between Hydro Tasmania and with Sarawak Energy Berhad was misreported and misrepresented.

"Put shortly, the program did not include accurate and balancing material that was available, and unduly favoured the views critical of Ta Ann (both Ta Ann Tasmania and Ta Ann Holdings Berhad, the Malaysian company) and Hydro Tasmania over both the facts and appropriate balancing views.

"SBS's apologises to Hydro Tasmania for the impact of this breach of the SBS Codes of Practice. In light of this finding SBS will broadcast a correction and apology on Dateline 4th September, 2012. The wording of the correction is a management matter and is not a duty of the SBS Ombudsman."

(2) Dateline accepted that there were inaccuracies in the report and issued an apology on air on the Dateline program on SBS ONE on 4 September 2012 (see below). The apology was also published on the Dateline website. Dateline has modified the program in response to issues raised in the complaints, including removing or correcting the errors.

On 4th September 2012, Dateline issued the following on air and online clarification and apology regarding this story:

"Two weeks ago, Dateline broadcast a story on the construction of hydro-electric dams in the Malaysian state of Sarawak. Dateline accepts the report overplayed the role of Hydro Tasmania in the dam building projects.

The same program contained a story on the company Ta Ann Tasmania. The story quoted the company's executive director, Evan Rolley, as saying that 'Forestry Tasmania doesn't have enough plantation and regrowth timber to fulfil the Ta Ann contract'.

In fact, in his interview, Mr Rolley only referred to plantation timber. Dateline also used the term 'logging' to describe Ta Ann Tasmania's activities. The company is not a logger, but a timber manufacturer.

Dateline apologises to Hydro Tasmania and to Ta Ann Tasmania for these inaccuracies."


(3) SBS issued an apology and clarification on-air on 4 September 2012. Dateline also published the SBS Ombudsman's responses to the two formal complaints on its website.

Yuggera Aboriginal Corporation
(Question No. 2166)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 14 September 2012:
With reference to the answer provided to question no. 49, taken on notice during the 2012-13 Budget Estimates hearing of the Environment and Communications Legislation Committee: How much was the artist’s performing fee that was paid to the Elder who performed the ceremony.

**Senator Conroy:** The answer to the honourable senator’s question is as follows:

A fee of $550 was paid to the Yuggera Aboriginal Corporation for Cultural Services.

**Prime Minister: Budget 2012-13**

(Question No. 2169)

**Senator Humphries** asked the Minister representing the Prime Minister in the Senate, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

**Senator Chris Evans:** The Prime Minister has provided the following answer to the honourable senator's question:

(1) (a) The effect on the Department's 2012-13 budget of the original 1.5 per cent efficiency dividend is $0.9 million.

(b) The effect on the Department's 2012-13 budget of the 2.5 per cent additional efficiency dividend is $2.6 million.

(c) No effect.

(2) All areas of the Department will consider a range of options to manage their activities within budget including:

- reductions in the use of consultants and contractors;
- replacing domestic and international travel with the use of the Government's virtual meeting (telepresence) facilities;
- reductions in agency spend on hospitality and entertainment;
- minimising media and advertising expenditure;
- reductions in printing and publication expenditure; and
- through more efficient and consistent delivery of training.

(3) This information is available in the 2012-13 Portfolio Budget Statements (page 48 refers) as published on the Department's website.

(4) (a) This information is available in the 2012-13 Portfolio Budget Statements (page 26 refers) as published on the Department's website.

(b) Please refer to answer (2) above.
(5) (a) No voluntary redundancies are expected in 2012-13.
   (b) No involuntary redundancies are expected in 2012-13.

(6) The current distribution of full time equivalent staff across classification bands at 30 September 2012 is provided in the following table:

<table>
<thead>
<tr>
<th>Classification Band</th>
<th>Full Time Equivalent</th>
</tr>
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<tbody>
<tr>
<td>APS1</td>
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<tr>
<td>SESB4</td>
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<td>Other Administered</td>
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Treasury: Efficiency Dividend
(Question Nos 2170, 2193 and 2214)

Senator Humphries asked the Minister representing the Treasurer, upon notice, on 19 September 2012 –

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed. (Being answered by POSD)

(6) What is the current distribution of full-time equivalent staff across classification bands. (Being answered by POSD)

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) (a) $2.1 million
    (b) $3.7 million
    (c) Not applicable

(2) The Treasury is continuing to pursue efficiencies to meet its budget including through printing, publications, consultants, contractors and travel.
(3) About 74 per cent.

(4) (a) The Treasury will reduce staff through natural attrition. See page 26 of the 2012-13 Portfolio Budget Statements.

(b) The Treasury will continue to look at efficiencies to reduce the need for consultants and contractors.

(5) None.

(6) The distribution of full-time equivalent (FTE) staff by classification bands as at 30 June 2012:

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<thead>
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<th>Distribution</th>
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<tr>
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Tertiary Education, Skills, Science and Research

(Question No. 2171)

Senator Humphries asked the Minister for Tertiary Education, Skills, Science and Research, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

(1) (a) and (b) The impact of the original 1.5 per cent and the additional 2.5% efficiency dividends on the former Department of Innovation, Industry, Science and Research in 2012-13 are $3.3 million and $8.3 million respectively. The funding that transferred from the Department of Education, Employment and Workplace Relations as a result of the machinery of government changes in December 2011, was
net of the efficiency dividend impact, therefore it is not possible to accurately quantify the impact of the efficiency dividend over the forward estimates. It is estimated to be in the order of $20 million from 2012-13 to 2015-16 or $5 million per year.

(1) (c) The impact on the department in 2012-13 from other savings measures announced in the 2012-13 Budget papers is $0.156 million

(2) The Department will in the first instance seek to manage the impacts of the efficiency dividends through further cost savings and natural attrition in staffing levels. The Department will continually seek to find further reductions in discretionary expenditure.

(3) Staff costs represent 58 per cent of total departmental expenditure.

(4) (a) The net movement in staff is expected to be around 150 staff due mainly to natural attrition. (b) Whilst reductions in consultants and contractors are expected for the financial year, at this stage the exact impact is yet to be determined.

(5) If required, the Department will seek to redeploy staff across the organisation where possible, hence voluntary or involuntary redundancies are not planned for at this stage.

(6) Due to System limitations, the Department is only able to provide the headcount figures of staff across band classifications as at 30 June 2012.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS1</td>
<td>8</td>
</tr>
<tr>
<td>APS2</td>
<td>70</td>
</tr>
<tr>
<td>APS3</td>
<td>132</td>
</tr>
<tr>
<td>APS4</td>
<td>246</td>
</tr>
<tr>
<td>APS5</td>
<td>431</td>
</tr>
<tr>
<td>APS6</td>
<td>842</td>
</tr>
<tr>
<td>EL1</td>
<td>951</td>
</tr>
<tr>
<td>EL2</td>
<td>419</td>
</tr>
<tr>
<td>SES1</td>
<td>70</td>
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<tr>
<td>SES2</td>
<td>20</td>
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<tr>
<td>SES3</td>
<td>3</td>
</tr>
<tr>
<td>Secretary</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>3,193</strong></td>
</tr>
</tbody>
</table>

**Defence: Budget Audit Review**

(Question No. 2175, 2204 and 2208)

Senator Humphries asked the Minister representing the Minister for Defence, Minister representing the Minister for Defence Science and Personnel and the Minister representing the Minister for Defence Materiel, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of:
   (a) the original 1.5 per cent efficiency dividend;
   (b) the additional 2.5 per cent efficiency dividend; and
   (c) other savings measures as introduced in the 2012-13 Budget papers?

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department?

(3) What percentage of total expenditure is represented by staff costs?
(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided?
(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed?
(6) What is the current distribution of full-time equivalent staff across classification bands?

Senator Bob Carr: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) (a) As determined by the Department of Finance and Deregulation (DoDF) and shown in the Portfolio Budget Statements 2011-12, table 11, page 28, the temporary increase in the efficiency dividend from 1 to 1.5 per cent resulted in Defence handing back $30.4 million in the 2012-13 financial year.

(b) As determined by DoFD and shown in the Portfolio Additional Estimates Statements 2011-12, table 12, page 21, the one-off 2.5 per cent efficiency dividend resulted in Defence handing back $60.4 million in the 2012-13 financial year.

(c) Other savings measures introduced at the 2012-13 Budget are:

- Defence efficiencies and reprogramming, resulting in a reduction of $965.7 million in 2012-13.
- Australian Intelligence Community – reprioritisation, resulting in a reduction of $5.6 million in 2012-13.

These measures are published in table 15, page 29 of the Portfolio Budget Statements 2012-13.

(2) The Secretary and CDF have instituted ongoing budget management discussions with all Group Heads and Service Chiefs to ensure:

- Priority activities are funded; and
- Reprioritisation of lower priority activities to ensure that Defence operates within its budget.

(3) In the 2012-13 financial year, including Defence Operations, Employee expenses account for 42.9 per cent of the total Defence budget. Key 2012-13 Cash Budget Statistics are published on page 2 of the Portfolio Budget Statements 2012-13.

(4) (a) and (b) There is an estimated net increase of 19 in average staffing levels from the 2011-12 actual achievement to the 2012-13 Budget Estimate, broken down by ADF +642, partially offset by a decrease in APS staff of -623. In respect of contractors, there is an estimated increase of 24 from the 2011-12 actual achievement to the 2012-13 Budget Estimate. Defence does not track the number of consultants employed as these are hired based on contract value.

(5) (a) The Defence budget position requires a reduction to its APS workforce of 1,000 over the next two financial years. Defence is managing this reduction through natural attrition, close management of recruitment, reductions in non-ongoing employment and a targeted voluntary retrenchment (VR) program. Defence is reviewing work priorities to ensure it can meet the Government's requirements. It is unknown at this point in time how many VRs will be required to meet the reduction requirement.

The Strategic Reform Program will require a number of change management activities to enable the required saving to be achieved. As a result, some employees may be without an ongoing role in the new organisational structure. In these situations Defence's focus is to reallocate employees. Where reassignment within Defence is unable to be achieved, consistent with the Defence enterprise agreement, a voluntary retrenchment package may be offered.

As at 24 September 2012, 229 VR packages have been offered and 109 accepted by Defence APS employees during financial year 2012-13.

(b) There will be no involuntary retrenchments (IR) as a result of the Defence Targeted VR Program.
Defence's priority is, where possible, to reassign employees to a role at their substantive level that is commensurate with the employee's skills and experience. If an employee cannot be reassigned to another position then the focus will be on redeployment training. In the unlikely event this is not successful the employee may be declared excess to Defence's requirements and a VR offer will be made.

If the employee declines the VR offer it may result in an involuntary retrenchment.

As at 24 September 2012 no involuntary retrenchments have occurred during financial year 2012-13.

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<tr>
<th>Full Time Equivalent</th>
<th>12/9/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS Level 1</td>
<td>112.14</td>
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<tr>
<td>APS Level 2</td>
<td>1,060.73</td>
</tr>
<tr>
<td>APS Level 2-3</td>
<td>6.00</td>
</tr>
<tr>
<td>APS Level 3</td>
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<tr>
<td>APS Level 3-4</td>
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<td>2,130.66</td>
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<tr>
<td>APS Level 4-5</td>
<td>497.22</td>
</tr>
<tr>
<td>APS Level 4-6</td>
<td>12.93</td>
</tr>
<tr>
<td>APS Level 5</td>
<td>3,213.18</td>
</tr>
<tr>
<td>APS Level 6</td>
<td>5,577.77</td>
</tr>
<tr>
<td>Training</td>
<td>206.33</td>
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<tr>
<td>APS Level 6 - Executive Level 1</td>
<td>7.14</td>
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<td>Executive Level 1</td>
<td>4,729.68</td>
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<td>Executive Level 2</td>
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<td>Agency Head</td>
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</tr>
<tr>
<td>Senior Executive (Band 1)</td>
<td>110.30</td>
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<tr>
<td>Senior Executive (Band 2)</td>
<td>54.70</td>
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<tr>
<td>Senior Executive (Band 3)</td>
<td>15.00</td>
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<tr>
<td>APS Level 3 - Executive Level 1</td>
<td>39.20</td>
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<tr>
<td>APS Level 6 - Executive Level 1</td>
<td>22.60</td>
</tr>
<tr>
<td>Total</td>
<td>22,039.96</td>
</tr>
</tbody>
</table>

**Attorney-General: Efficiency Dividend**  
*(Question Nos 2178, 2179, 2209 and 2210)*

**Senator Humphries** asked the Minister representing the Attorney-General, Minister for Emergency Management, Minister for Home Affairs and Minister for Justice, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.
(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

**Senator Ludwig:** The Attorney-General has provided the following answer to the honourable senator's question:

(1) The net impact of the efficiency dividend on the department for 2012-13 was a reduction of $8.166m: $3.040m is attributable to the original 1.5 per cent efficiency dividend and $5.126m is attributable to the additional 2.5 per cent efficiency dividend.

(2) The department adopted an internal budget strategy that complied with the Government's expectation of no forced redundancies. Targeted savings from contractors and consultants, international and domestic travel, hospitality and entertainment, media and advertising, printing and publication expenditure and delivery of training was also included in the department's budget. Voluntary redundancies were offered and contracts for non-ongoing employees were not renewed beyond 30 June 2012 where appropriate. A rigorous recruitment process was put in place which applies to every vacancy within the department. When a vacancy occurs it is to be filled from within the department if possible, prior to external recruitment action being commenced.

(3) Employee expenses accounts for 64.14% of the 2012-13 budgeted expenses.

(4) A net reduction in (a) staff and (b) consultants and/or contractors expenses is included in the approved 2012-13 budget for the department. The amount of the reduction cannot be specifically quantified.

(5) (a) 24

(b) none

(6) The table at Attachment A details the current full-time equivalent staff distribution across classification bands.

<table>
<thead>
<tr>
<th>Classification</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS1</td>
<td>9.52</td>
</tr>
<tr>
<td>APS2</td>
<td>6.46</td>
</tr>
<tr>
<td>APS3</td>
<td>69.31</td>
</tr>
<tr>
<td>APS4</td>
<td>151.80</td>
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<tr>
<td>APS5</td>
<td>141.40</td>
</tr>
<tr>
<td>APS6</td>
<td>322.27</td>
</tr>
<tr>
<td>Cadet</td>
<td>3.00</td>
</tr>
<tr>
<td>EL1</td>
<td>409.65</td>
</tr>
<tr>
<td>EL2</td>
<td>202.49</td>
</tr>
<tr>
<td>Graduates</td>
<td>34.00</td>
</tr>
<tr>
<td>SESB1</td>
<td>51.32</td>
</tr>
<tr>
<td>SESB2</td>
<td>17.00</td>
</tr>
<tr>
<td>SESB3</td>
<td>4.00</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,422.22</td>
</tr>
</tbody>
</table>
Finance and Deregulation
(Question No. 2184)

Senator Humphries asked the Minister for Finance and Deregulation, upon notice, on 19 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

Senator Wong: The answer to the honourable senator's question is as follows:

(1) (a)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>$2.0m</td>
<td>$2.4m</td>
<td>$2.8m</td>
<td>$2.0m</td>
</tr>
</tbody>
</table>

(b)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(b)</td>
<td>$5.0m</td>
<td>$4.6m</td>
<td>$4.5m</td>
<td>$4.6m</td>
</tr>
</tbody>
</table>

(c) While no other savings measures were introduced for Finance for the 2012-13 Budget, in response to my announcement on 25 September 2012, Finance is further containing air travel as far as practical and identifying further savings in contractors and consultants, recruitment advertising and printing costs (by making greater use of online publications).

(2) Through targeting non-staff areas, natural attrition and through structural changes, without the need for a round of either compulsory or voluntary redundancies.

(3) 34.3%

(4) Total staff numbers are expected to reduce as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011-12 Staff (FTE)</th>
<th>2012-13 Staff (FTE)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1645</td>
<td>1595</td>
<td>50</td>
</tr>
</tbody>
</table>

Total Departmental contractor expenses are expected to decrease as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011-12 Budgeted Expenses</th>
<th>2012-13 Budgeted Expenses</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$8.9m</td>
<td>$7.2m</td>
<td>($1.7m)</td>
</tr>
</tbody>
</table>
Total Consultants are expected to reduce as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Budgeted Expenses</th>
<th>2012-13 Budgeted Expenses</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$32.2m</td>
<td>$29.6m</td>
<td>($2.6m)</td>
</tr>
</tbody>
</table>

(5) Finance is not planning a round of voluntary or involuntary redundancies.

(6) Actual full-time equivalent staff across classification bands as at 30 September 2012 (excluding casual staff):

<table>
<thead>
<tr>
<th>Staff Classifications</th>
<th>Number of FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS1</td>
<td>16.0</td>
</tr>
<tr>
<td>APS2</td>
<td>24</td>
</tr>
<tr>
<td>COMCAR Drivers (permanent)</td>
<td>16.0</td>
</tr>
<tr>
<td>APS3</td>
<td>65.2</td>
</tr>
<tr>
<td>APS4</td>
<td>202.0</td>
</tr>
<tr>
<td>APS5</td>
<td>235.8</td>
</tr>
<tr>
<td>APS6</td>
<td>270.0</td>
</tr>
<tr>
<td>EL1</td>
<td>455.6</td>
</tr>
<tr>
<td>EL2</td>
<td>265.2</td>
</tr>
<tr>
<td>SES1</td>
<td>71.6</td>
</tr>
<tr>
<td>SES2</td>
<td>21.4</td>
</tr>
<tr>
<td>SES3</td>
<td>6</td>
</tr>
<tr>
<td>Secretary</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>1649.8</td>
</tr>
</tbody>
</table>

Agriculture, Fisheries and Forestry

(Question No. 2186)

Senator Humphries asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 18 September 2012:

(1) What is the net financial effect on the department's budget of:
   (a) the original 1.5 per cent efficiency dividend;
   (b) the additional 2.5 per cent efficiency dividend; and
   (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in:
   (a) staff; and
   (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many:
   (a) voluntary redundancies; and
   (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.
**Senator Ludwig:** The answer to the honourable senator’s question is as follows:

(1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>(a) 2011–12 Budget from 1% to 1.5% &amp; 1.25%</td>
<td>-1,452</td>
<td>-2,522</td>
<td>-3,204</td>
<td>-3,816</td>
<td>-</td>
<td>-10,994</td>
</tr>
<tr>
<td>(b) Reducing the cost of Government administration – one-off 2.5% efficiency dividend</td>
<td>-</td>
<td>-6,506</td>
<td>-6,461</td>
<td>-6,285</td>
<td>-6,811</td>
<td>-26,063</td>
</tr>
<tr>
<td>(c) Caring for our Country – Landcare offset for animal and plant pest and disease measure</td>
<td>-300</td>
<td>-2,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-2,800</td>
</tr>
<tr>
<td><strong>Total Efficiency Dividend targets</strong></td>
<td>-1,752</td>
<td>-11,528</td>
<td>-9,665</td>
<td>-10,111</td>
<td>-6,811</td>
<td>-39,857</td>
</tr>
</tbody>
</table>

(2) Measures and strategies currently being considered and implemented by the department to ensure continued operation within the budget and efficiency dividend targets include:

- A net reduction in ASL of 111 in 2012-13 (67 through corporate rationalisation; 44 in policy areas; transfer of staff into vacant import clearance activities in airports).
- A reduction in supplier costs (20 per cent in media, travel, official hospitality and consultants; 10 per cent in all other supplier categories such as training, rent and depreciation).

(3) The percentage of total expenditure represented by staff costs is 68.44 per cent.

(4) (a) A net reduction in staffing of 111 ASL in 2012-13 is expected.

(b) In 2012-13, DAFF has budgeted for a net reduction in consultants and other temporary or contract staff of $4.762m.

(5) (a) There are no voluntary redundancies planned in 2012-13.

(b) There are no involuntary redundancies planned in 2012-13.

(6)

<table>
<thead>
<tr>
<th>Classification Band</th>
<th>FTE at 31 Aug 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES stream</td>
<td>86.86</td>
</tr>
<tr>
<td>APS Group 8 - EL2</td>
<td>437.49</td>
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<tr>
<td>APS Group 7 - EL1</td>
<td>606.13</td>
</tr>
<tr>
<td>APS Group 6 - APS 6</td>
<td>730.05</td>
</tr>
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<td>APS Group 5 - APS 5</td>
<td>654.99</td>
</tr>
<tr>
<td>APS Group 4 - APS 4</td>
<td>1,023.11</td>
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<tr>
<td>APS Group 3 - APS 3</td>
<td>711.02</td>
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<tr>
<td>APS Group 2 - APS 2</td>
<td>26.45</td>
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<tr>
<td>APS Group 1 - APS 1</td>
<td>7.41</td>
</tr>
<tr>
<td>Policy and Technical stream</td>
<td>14.15</td>
</tr>
<tr>
<td>Science stream</td>
<td>4.00</td>
</tr>
<tr>
<td>Meat Inspectors stream</td>
<td>166.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4,467.66</td>
</tr>
</tbody>
</table>
Resources and Energy, and Tourism
(Question No. 2187 and 2188)

Senator Humphries asked the Minister for Resources and Energy and the Minister for Tourism, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of:
   (a) the original 1.5 per cent efficiency dividend;
   (b) the additional 2.5 per cent efficiency dividend; and
   (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in:
   (a) staff; and
   (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many:
   (a) voluntary redundancies; and
   (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

Senator Chris Evans: The Minister for Resources and Energy and the Minister for Tourism has provided the following answer to the honourable senator's question:

(1) The net financial effect on the Departments' 2012-13 budget of:
   (a) the original 1.5 percent efficiency dividend was $0.160 million
   (b) the additional 2.5 percent efficiency dividend was $2.095 million
   (c) other saving measures as introduced in the 2012-13 Budget paper was $0.127 million

(2) The Department has set a balanced budget for 2012-13, which is regularly analysed and reported to senior management for their information and review. The Department will undertake budget reviews as required during 2012-13 to ensure the Department operates within budget.

(3) In 2012-13, staff costs represent approximately 65 percent of budgeted expenditure.

(4) The Department expects a small reduction in staff numbers in 2012-13. It is not possible to quantify at this time whether or not the Department will reduce its engagement of consultants, and/or contractors in 2012-13.

(5) In 2012-13, the Department is not expecting to execute any voluntary or involuntary redundancies.

(6) Current distribution of full-time equivalent staff across classification bands as at 30 September 2012 is as follows:

<table>
<thead>
<tr>
<th>Classification Band</th>
<th>FTE</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS 2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>APS 3</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
Tuesday, 30 October 2012

SENATE

8555

<table>
<thead>
<tr>
<th>FTE</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS 4</td>
<td>21.1</td>
</tr>
<tr>
<td>APS 5</td>
<td>51.23</td>
</tr>
<tr>
<td>APS 6</td>
<td>90.06</td>
</tr>
<tr>
<td>EL-1</td>
<td>164.55</td>
</tr>
<tr>
<td>EL-2</td>
<td>97.66</td>
</tr>
<tr>
<td>SES</td>
<td>28.19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>454.79</td>
</tr>
</tbody>
</table>

**Industry and Innovation**  
(Question No. 2190)

Senator Humphries asked the Minister representing the Minister for Industry and Innovation, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

1. What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

2. What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

3. What percentage of total expenditure is represented by staff costs.

4. Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

5. How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

6. What is the current distribution of full-time equivalent staff across classification bands.

Senator Lundy: The Minister for Industry and Innovation has provided the following answer to the honourable senator's question:

Please refer to the answer provided to the Senate Question on Notice 2171.

**Climate Change and Energy Efficiency**  
(Question No. 2191)

Senator Humphries asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 19 September 2012:

In regard to the 2012-13 financial year:

1. What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

2. What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

3. What percentage of total expenditure is represented by staff costs.

4. Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

5. How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

6. What is the current distribution of full-time equivalent staff across classification bands.

QUESTIONS ON NOTICE
Senator Ludwig: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator's question:

1. The net financial effect on the department's budget is as follows:
   (a) $1.040m
   (b) $2.809m
   (c) $0.523m for 15 per cent reduction to the departmental resource component for new measures.

2. The Department has not identified any specific strategy to implement savings from the efficiency dividend targets. The Department faces a significant decline in operating funding from 2011-12 to 2012-13 due to the closure of a range of energy efficiency programs administered by the Department. The Department is currently working to reduce its workforce by around 33% by June 2013. This will be achieved through natural attrition, review of existing contracts, increased opportunities for flexible working arrangements and voluntary redundancies. The supplier expenses associated with supporting a larger workforce will commensurably reduce. Given the size of the downsizing exercise faced by the Department, the impact of the increase in efficiency dividend is not being considered separately.

3. Staff costs represent 58% of the Department's budget in 2012-13 as reported in the Department's 2012-13 Portfolio Budget Statements.

4. (a) $32.6 million
   (b) $7.3 million

5. (a) 48
   (b) nil

6. The current distribution of full-time equivalent staff across the classification bands as at 13 September 2012 are as follows:

<table>
<thead>
<tr>
<th>Equivalent Classification</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS2</td>
<td>1.00</td>
</tr>
<tr>
<td>APS3</td>
<td>10.79</td>
</tr>
<tr>
<td>APS4</td>
<td>71.03</td>
</tr>
<tr>
<td>APS5</td>
<td>102.73</td>
</tr>
<tr>
<td>APS6</td>
<td>142.84</td>
</tr>
<tr>
<td>EL1</td>
<td>194.22</td>
</tr>
<tr>
<td>EL2</td>
<td>108.39</td>
</tr>
<tr>
<td>SES1</td>
<td>31.95</td>
</tr>
<tr>
<td>SES2</td>
<td>10.00</td>
</tr>
<tr>
<td>SES3</td>
<td>3.00</td>
</tr>
<tr>
<td>SEC</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>676.95</td>
</tr>
</tbody>
</table>

Social Inclusion
(Question No. 2195)

Senator Humphries asked the Minister representing the Minister for Social Inclusion, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

1. What is the net financial effect on the departments budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.
(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

**Senator Chris Evans:** The Minister for Social Inclusion has provided the following answer to the honourable senator's question:

The Minister is supported by the Prime Minister and Cabinet. Please refer to the Minister representing the Prime Minister's response to Senate Question 2169.

**Small Business**

**(Question No. 2197)**

**Senator Humphries** asked the Minister representing the Minister for Small Business, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department?

(3) What percentage of total expenditure is represented by staff costs?

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

**Senator Lundy:** The Minister for Small Business has provided the following answer to the honourable senator's question:

Please refer to the answer provided to the Senate Question on Notice 2171.

**Human Services: Budget Efficiency Dividend**

**(Question No. 2200)**

**Senator Humphries** asked the Minister for Human Services, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department?

(3) What percentage of total expenditure is represented by staff costs?
(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands?

**Senator Kim Carr:** The answer to the honourable senator's question is as follows:

(1) (a) The original 1.5 per cent efficiency dividend has reduced the department's operating appropriation by approximately $55 million in 2012-13.

(b) The additional 2.5 per cent efficiency dividend has reduced the department's operating appropriation by $92 million in 2012-13 (the department's Portfolio Additional Estimates Statements 2011-12, page 17).

(c) The department's operating appropriation in 2012-13 has been reduced by $2.540 million for the following measures (see 2012-13 Budget Paper No. 2):

- Fraud prevention and compliance - matching of Medicare Benefits Schedule and Pharmaceutical Benefits Scheme data - termination of measure (-$0.859 million for 2012-13);
- Community Development Employment Projects (CDEP) program – continuation of grandfathered wage arrangements (-$1.673 million for 2012-13); and
- Pharmaceutical Benefits Scheme – new and amended listings (-$0.008 million for 2012-13).

Further information on these measures can be found in the 2012-13 Budget Paper No. 2.

(2) The department's Executive Committee has oversight of and monitors the department's financial position. Monthly reports are provided to the Executive Committee on expenditure and forecasts against budget.

(3) The department estimates that 63.1 per cent of total expenses budget is represented by staffing costs in 2012-13. The percentage equates to the proportion of total budgeted employee expenses ($2.789 billion) to the total expenses budget ($4.423 billion) as per the department's Portfolio Budget Statements 2012-13 (page 38).

(4) (a) A net reduction in staff is expected for the financial year.

<table>
<thead>
<tr>
<th>FY 2011-12 Actual Average Staffing Level (ASL)*</th>
<th>FY 2012-13 Budget ASL</th>
<th>Quantitative Reduction in ASL* or 1 per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS: 32,592</td>
<td>DHS 32,274</td>
<td>Overall decrease of 318 ASL* or 1 per cent</td>
</tr>
</tbody>
</table>

- The quantitative reduction in total staff will be a reduction of approximately 318 or 1 per cent.
- The estimated ASL reported for the 2012-13 Portfolio Budget Statements is 32,274. This represents a reduction of 1 per cent on the 2011-12 actual ASL of 32,592.

*Note - ASL is the average number of employees receiving salary/wages over the reporting period, with adjustments for casual and part-time employees to show the full-time equivalent (FTE). Therefore ASL is the average paid FTE for the financial year. ASL is a different calculation to the FTE figure reported in question 6.

(b) A net reduction in contractor and consultant costs is expected for the financial year, however, the department is unable to quantify the reduction in financial terms at this time.

(5) (a) As at 4 October 2012, there have been 358 voluntary redundancies in the 2012–13 financial year. At this stage the number of voluntary redundancies expected in the remainder of the financial year is unknown.
(b) The department does not expect any involuntary redundancies in the 2012-13 financial year.

(6) The current distribution of full-time equivalent (FTE) staff across classification bands for the Department of Human Services is listed in Table A below. This table is as at 30 June 2012 and based on employees FTE substantive classification as at this date.

**Table A – Staff by Substantive Classification and FTE** as at 30 June 2012

<table>
<thead>
<tr>
<th>Substantive Classification</th>
<th>FTE** as at 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>202.60</td>
</tr>
<tr>
<td>(Trainees/Graduates/Cadets)</td>
<td></td>
</tr>
<tr>
<td>APS1</td>
<td>259.96</td>
</tr>
<tr>
<td>APS2</td>
<td>666.35</td>
</tr>
<tr>
<td>APS3</td>
<td>4558.29</td>
</tr>
<tr>
<td>APS4</td>
<td>14957.93</td>
</tr>
<tr>
<td>APS5</td>
<td>3728.88</td>
</tr>
<tr>
<td>APS6</td>
<td>5555.45</td>
</tr>
<tr>
<td>Sub Total (APS)</td>
<td>29929.46</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>2832.25</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>1111.99</td>
</tr>
<tr>
<td>Sub Total (EL)</td>
<td>3944.24</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>146.59</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>33.57</td>
</tr>
<tr>
<td>SES Band 3</td>
<td>9.00</td>
</tr>
<tr>
<td>Sub Total (SES)</td>
<td>189.16</td>
</tr>
<tr>
<td>The Secretary</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>FTE</strong> Total as at 30/06/2012**</td>
<td>34063.86</td>
</tr>
</tbody>
</table>

**Note - Full Time Equivalent (FTE) definition used is based on Full-Time Equivalent employees for the reporting period. Part-time employees are converted to full-time equivalents. This includes employees on leave without pay and secondment. FTE is a different calculation to the ASL figure reported in question 4.**

**Public Service and Integrity: Budget 2012-13**

(Question No. 2206)

**Senator Humphries:** asked the Minister representing the Minister for the Public Service and Integrity, upon notice, on 18 September 2012:

In regard to the 2012-13 financial year:

(1) What is the net financial effect on the departments budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.
Senator Chris Evans: The Minister for the Public Service and Integrity has provided the following answer to the honourable senator's question:

The Minister is supported by the Prime Minister and Cabinet. Please refer to the Minister representing the Prime Minister's response to Senate Question 2169.

Special Minister of State
(Question No. 2207)

Senator Humphries asked the Minister representing the Special Minister of State, upon notice, on 19 September 2012:

(1) What is the net financial effect on the department's budget of: (a) the original 1.5 per cent efficiency dividend; (b) the additional 2.5 per cent efficiency dividend; and (c) other savings measures as introduced in the 2012-13 Budget papers.

(2) What measures or strategies are being considered to ensure continued operation within the budget and efficiency dividend targets of the department.

(3) What percentage of total expenditure is represented by staff costs.

(4) Is a net reduction in: (a) staff; and (b) consultants and/or contractors, expected for the financial year; if so, can a quantitative total for each reduction be provided.

(5) How many: (a) voluntary redundancies; and (b) involuntary redundancies, are expected to be executed.

(6) What is the current distribution of full-time equivalent staff across classification bands.

Senator Wong: The Special Minister of State has supplied the following answer to the honourable senator's question:

Please refer to the Minister for Finance and Deregulation's response to Question No 2184.

Radioactive Waste
(Question No. 2217)

Senator Ludlam asked the Minister representing the Minister for Health, upon notice, on 19 September 2012:

With reference to the announcement by the Australian High Commissioner to Malaysia that Lynas Corporation has submitted an application to the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), to import radioactive waste from Malaysia:

(1) What is the status of the application.

(2) On what date was the application received.

(3) On what grounds and under what legislative provisions can nuclear waste be imported to Australia.

(4) If ARPANSA grants approval for the importation of radioactive waste from Malaysia, will Western Australia be forced to accept that waste; if so, on what grounds.

Senator Ludwig: The Minister for Health has provided the following answer to the honourable senator's question:

(1) The application from Lynas Corporation to import radioactive waste from Malaysia is currently under consideration by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). ARPANSA requested more information from Lynas Corporation on 2 April 2012. Lynas Corporation has yet to respond and the application cannot progress until the requested information is received.

(2) The application was received on 30 March 2012.
(3) Regulation 4R of the Customs (Prohibited Imports) Regulations 1956 (the Regulations) prohibits the importation into Australia of a radioactive substance unless the Chief Executive Officer of ARPANSA (the CEO) or the Minister for Health gives permission in writing. Before issuing an import permit the CEO will satisfy himself that the State or Territory where the radioactive substance will be imported into will grant any required authorisation to the consignee to deal with the radioactive substance under that State or Territory’s radiation protection legislation.

(4) The application that was received by ARPANSA is to import the material to South Australia. If the South Australian regulator refuses to grant any required authorisation to the consignee to deal with the material, or if the CEO finds the application deficient in any other aspect relevant to the CEO’s regulatory powers, the CEO would not issue the import permit. The CEO will then, under subregulation 4R(3) of the Regulations, refer the application to the Minister for Health, who may, under subregulation 4R(4) grant, or refuse to grant, the permission.

Sustainability, Environment, Water, Population and Communities
(Question No. 2218)

Senator Siewert asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 19 September 2012:

(1) What are the rehabilitation obligations of Christmas Island Phosphates (CIP) in regard to the areas it has mined or re-mined.

(2) What is the existing mine completion criteria for Christmas Island.

(3) Will CIP be required to produce a mine closure plan within the next 12 months.

(4) If CIP is required to produce a mine closure plan, what consultation processes are occurring to determine post-mining land use.

(5) Will CIP be subject to the Mining Rehabilitation Fund levy.

(6) What documentation and monitoring data is available on the rehabilitation performance of CIP to date.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator's question:

(1) Rehabilitation on Christmas Island is undertaken by the Department of Sustainability, Environment, Water, Population and Communities, through its Parks Australia Division. CIP has undertaken rehabilitation works in the past but is not currently doing so.

CIP's rehabilitation obligations are set out in its Mining Lease dated 4 August 1997 and Appendices, including the Environmental Management Plan 1996 (currently being updated). These include the following requirements:

Payment of a conservation levy to be used by Parks Australia for the purpose of minesite rehabilitation. (Mining Lease clause 4.1)

Allow the Commonwealth access to the Leased Land to enable rehabilitation or to inspect rehabilitation work carried out by CIP (Mining Lease clause 9.2 and 9.3)

Retain sufficient backfill material to be used by the Commonwealth and the Lessees for rehabilitation. Backfill material shall be C Grade phosphate rock. (Mining Lease clause 12.1)

Review rehabilitation plans and sufficiency of stockpiles of backfill material annually. (Mining Lease clause 12.2)

Provide machinery and equipment not required for current mining operations, with operators, for carrying out rehabilitation work for the Commonwealth at reasonable arms-length commercial rates. (Mining Lease clause 13)
Parks Australia's rehabilitation work is undertaken in accordance with the Christmas Island Minesite to Forest Rehabilitation Program. Since the beginning of this program in 1989 Parks Australia has been rehabilitating approximately 10-15 hectares per year. The focus of the program is to restore tropical rainforest, and to protect Abbott's booby nesting sites (Abbott's booby is an endangered seabird that nests in the canopy of Christmas Island rainforest and nowhere else).

(2) Mine completion criteria is not specified in CIP's mining lease or environmental management plan. However, the Director of National Parks has recently finalised with the Department of Regional Australia, Local Government, Arts and Sport (which administers the mining lease) a Christmas Island Mine site to Forest Rehabilitation Plan 2012-2020. Additionally, an eight year Memorandum of Understanding (for 2012-2020) has been negotiated by the Director of National Parks and the Department of Regional Australia, Local Government, Arts and Sport to complement the 2012-2020 rehabilitation plan.

(3) No.

(4) Under the current lease, CIP is able to apply for an extension to the lease if new markets or technology makes further mining viable. The department is unaware whether CIP intends to apply for such an extension. Mine closure planning and community consultation would form part of any lease renegotiation.

(5) The Mining Rehabilitation Fund Bill 2012 (WA) is currently undergoing Western Australian Parliamentary process. The department has not been advised how this legislation will apply to CIP.

(6) The Attorney-General's Department (then responsible for administration of the lease) in 2008 commissioned a report on the extent of possible rehabilitation of mined areas, based on the availability of soil for rehabilitation and current rehabilitation methods. This report found that a further 235 ha of previously degraded land would be able to rehabilitated.

Historical phosphate mining accounts for most of the currently disturbed areas and CIP is not obliged to rehabilitate all of these areas. Apart from its obligation to pay a conservation levy for rehabilitation, CIP has in the past carried out some rehabilitation itself. The company commissioned an assessment of its minesite revegetation activities in 2009. Between 2001 and 2008 CIP rehabilitated 26.22 ha including pinnacle fields (6 totalling 19.44 ha), stockpile bases (4 totalling 5.64 ha) and a chalk pit (1.14 ha).

Office of Best Practice Regulation
(Question No. 2378)

Senator Ryan asked the Minister for Finance and Deregulation, upon notice, on 10 October 2012:

In relation to the Office of Best Practice Regulation:

(1) For the period between December 2007 to date, how many Prime Minister's exemptions were applied for and not granted, and for each exemption not granted, what were they and when did it occur.

(2) In relation to regulatory impact statements, since July 2011, how many Prime Minister's exemptions has the department or any agencies under the Minister's portfolio: (a) applied for; and (b) received.

(3) Since July 2011, how many instances of non-compliance have there been with the Government's regulatory impact assessment framework.

(4) How many post-implementation reviews has each department or any agencies under the Minister's portfolio conducted since July 2011.

(5) How many post-implementation reviews is the department or any agencies under the Minister's portfolio expected to conduct in the coming 36 months.

(6) What are these post-implementation reviews and when are they expected to be completed.
Senator Wong: The answer to the honourable senator's question is as follows:

(1) Applications for Prime Minister's exemptions are not made to the Office of Best Practice Regulation (OBPR).

(2) Information regarding Prime Minister's exemptions, non-compliance and post-implementation reviews is listed on the OBPR website and in the Best Practice Regulation Reports, released annually.