INTERNET

The Journals for the Senate are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfo.aph.gov.au

SITTING DAYS—2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>7, 8, 9, 27, 28, 29</td>
</tr>
<tr>
<td>March</td>
<td>1, 13, 14, 15, 16, 19, 20, 21, 22</td>
</tr>
<tr>
<td>May</td>
<td>8, 9, 10</td>
</tr>
<tr>
<td>June</td>
<td>18, 19, 20, 21, 25, 26, 27, 28</td>
</tr>
<tr>
<td>August</td>
<td>14, 15, 16, 20, 21, 22, 23</td>
</tr>
<tr>
<td>September</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>October</td>
<td>9, 10, 11, 29, 30, 31</td>
</tr>
<tr>
<td>November</td>
<td>1, 19, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS

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

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

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

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

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Senators Judith Anne Adams, Christopher John Back, Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, David Julian Fawcett, Mary Jo Fisher, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore, Louise Clare Pratt, Ursula Mary Stephens and Mark Lionel Furner
Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis SC
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

Senate Party Leaders and Whips
Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party of Australia—Senator Hon. George Henry Brandis SC
Leader of The Nationals—Senator Barnaby Thomas Gerard Joyce
Deputy Leader of The Nationals—Senator Fiona Nash
Leader of the Australian Greens—Senator Robert James Brown
Deputy Leader of the Australian Greens—Senator Christine Anne Milne
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 Judith Anne Adams and David Christopher Bushby
The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert

Printed by authority of the Senate
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Judith Anne</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Back, Christopher John</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bilyk, Catryna Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Birmingham, Simon John</td>
<td>SA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Thomas Mark</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Boswell, Hon. Ronald Leslie Doyle</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Boyce, Suzanne Kay</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, SC</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Brown, Robert James</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Bushby, David Christopher</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Cameron, Douglas Niven</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Carr, Hon Robert John (3)</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Cash, Michaelia Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, Jacinta Mary Ann</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Hon. Stephen Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Cormann, Mathias Hubert Paul</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Crossin, Patricia Margaret (1)</td>
<td>NT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Di Natale, Richard</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Edwards, Sean</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Eggleston, Alan</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Evans, Hon. Christopher Vaughan</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Farrell, Donald Edward</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Faulkner, Hon. John Philip</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Fawcett, David Julian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Feeney, David Ian</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Fierravanti-Wells, Concetta Anna</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Fifield, Mitchell Peter</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Fisher, Mary Jo</td>
<td>SA</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Furner, Mark Lionel</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Gallacher, Alexander McEachian</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Hanson-Young, Sarah Coral</td>
<td>SA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Heffernan, Hon. William Daniel</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Hogg, Hon. John Joseph</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Humphries, Gary John Joseph (1)</td>
<td>ACT</td>
<td></td>
<td>LP</td>
</tr>
<tr>
<td>Johnston, Hon. David Albert Lloyd</td>
<td>WA</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Joyce, Barnaby Thomas Gerard</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Kroger, Helen</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Ludlam, Scott</td>
<td>WA</td>
<td>30.6.2014</td>
<td>AG</td>
</tr>
<tr>
<td>Lundy, Kate Alexandra (1)</td>
<td>ACT</td>
<td></td>
<td>ALP</td>
</tr>
<tr>
<td>Macdonald, Hon. Ian Douglas</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Madigan, John Joseph</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>DLP</td>
</tr>
<tr>
<td>McEwen, Anne</td>
<td>SA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>McKenzie, Bridget</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Senator</td>
<td>State or Territory</td>
<td>Term expires</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------</td>
<td>--------------</td>
<td>---------</td>
</tr>
<tr>
<td>McLucas, Hon. Jan Elizabeth</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Marshall, Gavin Mark</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Mason, Hon. Brett John</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Milne, Christine Anne</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Nash, Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>NATS</td>
</tr>
<tr>
<td>Parry, Stephen Shane</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Payne, Marise Ann</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Polley, Helen Beatrice</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Pratt, Louise Clare</td>
<td>WA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Rhiannon, Lee</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Ronaldson, Hon. Michael</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Scott Michael</td>
<td>VIC</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Scullion, Hon. Nigel Gregory</td>
<td>NT</td>
<td></td>
<td>CLP</td>
</tr>
<tr>
<td>Sherry, Hon. Nicholas John</td>
<td>TAS</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Siewert, Rachel Mary</td>
<td>WA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Singh, Hon. Lisa Maria</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Sinodinos, Arthur (2)</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>LP</td>
</tr>
<tr>
<td>Stephens, Hon. Ursula Mary</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Sterle, Glenn</td>
<td>WA</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Thistlethwaite, Matthew</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Urquhart, Anne Elizabeth</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>ALP</td>
</tr>
<tr>
<td>Waters, Larissa Joy</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Williams, John Reginald</td>
<td>NSW</td>
<td>30.6.2014</td>
<td>NATS</td>
</tr>
<tr>
<td>Wright, Penelope Lesley</td>
<td>SA</td>
<td>30.6.2017</td>
<td>AG</td>
</tr>
<tr>
<td>Wong, Hon. Penelope Ying Yen</td>
<td>SA</td>
<td>30.6.2014</td>
<td>ALP</td>
</tr>
<tr>
<td>Xenophon, Nicholas</td>
<td>SA</td>
<td>30.6.2014</td>
<td>IND</td>
</tr>
</tbody>
</table>

(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 to be filled (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 to be filled (Hon M. Arbib, resigned 5.3.12), 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

Acting Secretary, Department of Parliamentary Services—R Grove
## GILLARD MINISTRY

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Julia Gillard MP</td>
</tr>
<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Stephen Conroy</td>
</tr>
<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td><strong>Minister for the Centenary of ANZAC</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
<td>Senator the Hon Chris Evans</td>
</tr>
<tr>
<td><strong>Minister for Industry and Innovation</strong></td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td><strong>Minister for Defence Materiel</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Defence</strong></td>
<td>The Hon Dr Mike Kelly AM MP</td>
</tr>
<tr>
<td><strong>Minister for Defence Science and Personnel</strong></td>
<td>Senator the Hon David Feeney</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Defence</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Immigration and Citizenship</strong></td>
<td>The Hon Chris Bowen MP</td>
</tr>
<tr>
<td><strong>Minister for Multicultural Affairs</strong></td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Transport</strong></td>
<td>The Hon Anthony Albanese MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Infrastructure and Transport</strong></td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td><strong>Minister for Emergency Management</strong></td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td><strong>Minister for Home Affairs</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Minister for Families, Community Services and Indigenous Affairs</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Disability Reform</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Housing</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Homelessness</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Community Services</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Minister for the Status of Women</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Senator the Hon Bob Carr</td>
</tr>
<tr>
<td>Parliamentary Secretary for Trade</td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>The Hon Justine Elliot MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Foreign Affairs</td>
<td>The Hon Richard Marles MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>The Hon Tony Burke MP</td>
</tr>
<tr>
<td>Minister for Finance and Deregulation</td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting for Deregulation</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Minister for Early Childhood and Childcare</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>The Hon Joe Ludwig</td>
</tr>
<tr>
<td>Minister for Resources and Energy</td>
<td>The Hon Martin Ferguson AM MP</td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon Martin Ferguson AM MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Mental Health and Ageing</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister for Indigenous Health</td>
<td>The Hon Warren Snowden MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Health and Ageing</td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon Kim Carr</td>
</tr>
</tbody>
</table>
# Shadow Ministry

<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Trade</td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td>(Deputy Leader of the Opposition)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport (Leader of The Nationals)</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations (Leader of the Opposition in the Senate)</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Shadow Minister for Employment Participation</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for the Arts</td>
<td>Senator the Hon George Brandis SC</td>
</tr>
<tr>
<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Tax Reform (Deputy Chairman, Coalition Policy Development Committee)</td>
<td>The Hon Tony Smith MP</td>
</tr>
<tr>
<td>Shadow Minister for Education, Apprenticeships and Training (Manager of Opposition Business in the House)</td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td>Shadow Minister for Youth and Sport (Deputy Manager of Opposition Business in the House)</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Education</td>
<td>Senator Fiona Nash</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs (Deputy Leader of the Nationals)</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development, Local Government and Water (Leader of the Nationals in the Senate)</td>
<td>Senator Barnaby Joyce</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development</td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td>Title</td>
<td>Shadow Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Local Government</strong></td>
<td>Mr Don Randall MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for the Murray-Darling Basin</strong></td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td><strong>Shadow Minister for Finance, Deregulation and Debt Reduction</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Energy and Resources</strong></td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Tourism</strong></td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Defence</strong></td>
<td>Senator the Hon David Johnston</td>
</tr>
<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans' Affairs and Shadow Minister</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Assisting the Leader of the Opposition on the Centenary of ANZAC</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Defence Materiel</strong></td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for the Defence Force and Defence Support</strong></td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td><strong>Shadow Minister for Communications and Broadband</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Communications</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Health and Ageing</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td>Senator Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Primary Healthcare</strong></td>
<td>Dr Andrew Southcott MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Regional Health</strong></td>
<td>Dr Andrew Laming MP</td>
</tr>
<tr>
<td>Services and Indigenous Health</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Minister for Families, Housing and Human Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td>Shadow Minister for Seniors</td>
<td>The Hon Bronwyn Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Mitch Fifield</td>
</tr>
<tr>
<td>(Manager of Opposition Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Housing</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Supporting Families</strong></td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for the Status of Women</strong></td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td><strong>Shadow Minister for Climate Action, Environment and Heritage</strong></td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Environment</strong></td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td><strong>Shadow Minister for Productivity and Population</strong></td>
<td>Mr Scott Morrison MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Immigration and Citizenship</strong></td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Immigration</strong></td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td><strong>Shadow Minister for Innovation, Industry and Science</strong></td>
<td>Mrs Sophie Mirabella MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Innovation, Industry, and Science</strong></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><strong>Shadow Minister for Agriculture and Food Security</strong></td>
<td>The Hon John Cobb MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Fisheries and Forestry</strong></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
</tbody>
</table>
Title | Shadow Minister
---|---
Shadow Minister for Small Business, Competition Policy and Consumer Affairs | The Hon Bruce Billson MP
Shadow Parliamentary Secretary for Small Business and Fair Competition | Senator Scott Ryan
THURSDAY, 15 MARCH 2012

CHAMBER

BILLS—
Assisting Victims of Overseas Terrorism Bill 2012—
Second Reading .......................................................... 1815

PETITIONS—
Baniyala ....................................................................... 1841

NOTICES—
Presentation .................................................................... 1841

COMMITTEES—
Selection of Bills Committee—
Report ............................................................................. 1843

BUSINESS—
Consideration of Legislation ........................................ 1844

COMMITTEES—
Community Affairs Legislation Committee—
Reporting Date .................................................................. 1844

BUSINESS—
Leave of Absence ......................................................... 1844

COMMITTEES—
Rural and Regional Affairs and Transport Legislation Committee—
Reporting Date ................................................................. 1844

Legal and Constitutional Affairs Legislation Committee—
Meeting ............................................................................. 1844

Foreign Affairs, Defence and Trade Joint Committee—
Meeting ............................................................................. 1845

Australian Commission for Law Enforcement Integrity Committee—
Meeting ............................................................................. 1845

MOTIONS—
Murray-Darling Basin ....................................................... 1845

Privileges Committee ......................................................... 1845

University Fees .................................................................. 1845

COMMITTEES—
Rural and Regional Affairs and Transport References Committee—
Reference ........................................................................... 1846

MOTIONS—
Coal ................................................................................ 1848

Nuclear Submarines ........................................................... 1849

BUSINESS—
Leave of Absence ........................................................... 1849

BILLS—
Higher Education Support Amendment Bill (No. 1) 2012—
First Reading ..................................................................... 1849

Second Reading ................................................................... 1850
COMMITTEES—
Legislation Committees—
  Report ........................................................................................................ 1851

BILLS—
  Fairer Private Health Insurance Incentives Bill 2012—
  Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2012—
  Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2012—
    Second Reading ......................................................................................... 1851

DISTINGUISHED VISITORS ............................................................................. 1873

QUESTIONS WITHOUT NOTICE—
  Grants Allocation ....................................................................................... 1874
  Mining ........................................................................................................... 1876
  Future Fund .................................................................................................. 1878
  National Disability Insurance Scheme ...................................................... 1880
  Small Business ............................................................................................. 1881
  Employment .................................................................................................. 1884
  Family Court ................................................................................................ 1885
  Small Business: Enterprise Connect ........................................................... 1887
  Rural and Regional Health Services ............................................................... 1889

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS—
  Grants Allocation ....................................................................................... 1891
  Future Fund .................................................................................................. 1891
  National Disability Insurance Scheme ...................................................... 1897

BUSINESS—
  Senate Temporary Orders ............................................................................ 1898

CONDOLENCES—
  Scott, the Hon. Douglas Barr ..................................................................... 1898

BILLS—
  Fairer Private Health Insurance Incentives Bill 2012—
  Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2012—
  Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2012—
    Second Reading ......................................................................................... 1900
    Third Reading ............................................................................................. 1931

Minerals Resource Rent Tax Bill 2011—
  Minerals Resource Rent Tax (Imposition—General) Bill 2011—
  Minerals Resource Rent Tax (Imposition—Customs) Bill 2011—
  Minerals Resource Rent Tax (Imposition—Excise) Bill 2011—
  Petroleum Resource Rent Tax Assessment Amendment Bill 2011—
  Petroleum Resource Rent Tax (Imposition—General) Bill 2011—
  Petroleum Resource Rent Tax (Imposition—Customs) Bill 2011—
  Petroleum Resource Rent Tax (Imposition—Excise) Bill 2011—
  Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011—
CONTENTS—continued

Superannuation Guarantee (Administration) Amendment Bill 2011— 1932
Second Reading.................................................................................................................. 1932
ADJOURNMENT—
National Day of Action Against Bullying and Violence................................. 1974
Fair Work Australia........................................................................................................ 1977
Justice Reinvestment........................................................................................................ 1979
Trojan’s Trek.................................................................................................................... 1981
Thursday, 15 March 2012

BILLS

Assisting Victims of Overseas Terrorism Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (09:31): The Assisting Victims of Overseas Terrorism Bill 2012, which was initially foreshadowed by the Leader of the Opposition, Mr Tony Abbott, is an important acknowledgement of the debt that this country owes to people who have been injured in the course of terrorist incidents overseas. We should never forget the high price that Australia has paid due to the activity, in particular, of Islamist terrorists.

Since 11 September 2001, some 300 Australians have been killed or injured in terrorist incidents overseas. We lost Australians in the World Trade Centre. We lost many Australians in Bali—not once, but twice. We lost Australians in London and we lost Australians in Jakarta. Some 300 of our fellow citizens have been killed or injured. Let us never forget that those bombs went off because the perpetrators of those outrages believe that our way of life is a satanic excrescence. That is what in the perversion of their own minds they believe. The people who died or were injured in those terrorist incidents were targeted precisely because of the way of life, the values and the civilisation of which we are part. Australia has been targeted precisely because we are part of and proud to be part of Western civilisation: a nation which lives by the values and takes pride in its identity as a part of Western civilisation. That is why the terrorists hate us.

It should be remembered that after each of the terrorist incidents the Australian government has been there to help. Centrelink assistance has been rendered. Medical expenses have been paid. I want to congratulate governments of both persuasions for the effort they have made to help Australians and to continue to help Australians who have been injured and the families of those who have been killed in terrorist incidents overseas.

We have to acknowledge the fact that these people have suffered for their country in a way not entirely different from the sufferings that our soldiers have faced in the struggle against terrorism. They were not random victims. They were victims because of the way of life of this country and they were chosen as targets because of the way of life of the civilisation in which we participate. We should not underestimate the ongoing suffering of those who were injured and of the families of those who were injured and killed.

We cannot think that our duty to them as a nation ends simply because they were given Centrelink assistance to come back to this country and simply because their relatives were given Centrelink assistance to do what they could to help. We cannot think that our duty to them has ended just because their medical expenses for the immediate injuries that they suffered were paid. There is a lifetime of pain for those people, physical and psychological, and it needs to be acknowledged, recognized and in some way made up for by the wider Australian community.

What this bill proposes is that the national government establish a scheme to
compensate the Australian victims of overseas terrorist attacks that is analogous with the victims-of-crimes schemes which have long operated in most of the Australian states and territories.

If an Australian is the victim of a criminal act in this country he or she will usually receive some form of compensation, some monetary benefit, from the state and territory governments. It is not lavish. It is not the sort of thing which is going to enable people to live in luxury for the rest of their lives—far from it. It is not full compensation in the sense that a lawyer would understand a damages award in a personal injuries case as compensation. Nevertheless, it is an important acknowledgement by our community of the unjustified and completely abhorrent pain and suffering that the victim of crime has been put through.

The bill proposes the establishment of a federal scheme, analogous to the state victims-of-crime schemes, purely for the Australian victims of overseas terrorist acts. It is a modest, responsible, and necessary measure by this parliament for the benefit of those people.

I accept that there are some issues with oppositions proposing measures of this kind that might create a charge upon the revenue. I would be very happy for this bill to be taken over by the government. The coalition would welcome that. The government has proposed a way of helping the Australian victims of terrorist incidents overseas but for reasons that are not clear it has not proceeded. I would be grateful to see it advanced, whether here or in the other place. In the meantime, the opposition offers this private senator's bill in order to meet the need that I have identified.

We must stand by our fellow Australians in trouble and those who were targeted because they were Australians, because they were emblems of our way of life. They deserve this modest measure of recognition, help and acknowledgement. I commend the Leader of the Opposition, Mr Abbot, who initiated this proposal and has driven the proposal for several years now. And I commend the bill to the Senate.

Senator SINGH (Tasmania) (09:37): I rise to speak on the Assisting Victims of Overseas Terrorism Bill 2012, brought forth by Senator Brandis and the coalition. I want to take this opportunity to put on record my strongest condemnation of acts of terrorism and the form terrorism takes. More often than not terrorism takes the form of an indiscriminate attack on civilians and bystanders whose only crime has been to be a member of a particular polity or to be in a particular place.

Terrorists do not engage in conflict under the normal rules of engagement by which state armed forces are bound. That, of course, means that they do not abide by international humanitarian law. They have no concept of the distinction between legitimate targets of military activity as defined through the instruments of international humanitarian law, and civilian targets—civilian targets being, more often than not, the innocent bystanders in terrorist acts. Instead, the purpose of terrorist organisations, by definition, is to create such insecurity and such uncertainty and fear in a political culture as to effect some sort of radical change. While the aim of most terrorist organisations is to effect changes in the policies of states, their means are violence against private citizens, who, more often than not, are the victims of terrorist acts.

Australia has not been immune from terrorism in the past. While the most recent and bloody stain on the national consciousness was in Kuta, Bali, in October
2002, Australians have been affected by terrorism at an average of 30 victims per year over the last decade. In some cases, Australians have been bystanders caught up in events. In other cases, as in Bali, they have been specifically targeted for their nationality and what they represent: democracy, participation and freedom—values which, in this country, we have enshrined in instruments of law and in our Constitution.

It is my very strong belief that political violence can never be justified. Even under the most extreme circumstances there is no excuse for resorting to force, brutality and murder, as terrorists do, especially against the innocent victims terrorists target in their search for the most vulnerable and most dramatic display of force.

I want to make it clear that I and the Labor government deplore acts of terrorism, and we have the greatest of compassion for those Australians caught up in the tragic displays of political violence perpetrated by terrorists. There is simply no sense of justice or dignity attached to the actions of the extremists who are prepared to sacrifice innocent people for political ends.

And in this new age of asymmetric warfare, in which non-state actors pose an increased, more widely dispersed threat to the citizens of the world, especially those who respect the proper processes of democratic decision-making, it is important for us to have strong, consistent and comprehensive means of addressing terrorism related issues.

I want also to recognise the impact of criminal activity on victims of crime. It can be devastating for individuals and families who suffer the effects of violence, insecurity and shock brought about by criminal activity. In this case, the criminal activities are under the guise of paramilitary activity. Like any serious injury, the effects of crime are both physical and psychological and can endure long after the actual act has subsided. Associated with the immediate effect of crime can be prolonged periods of shock, depression, stress, loss of esteem and disorientation.

In every Australian state and territory, the disabling effect of the trauma inflicted upon victims of crime is recognised through victims-of-crime schemes, making victims eligible for lump-sum payments under criminal injuries schemes. While the state and territory schemes do include the effects of terrorism, jurisdiction for these schemes does not extend beyond state or territory borders. Victims of terrorism overseas do not currently have a scheme to recognise the effect of terrorism on their lives.

That said, over the last decade and longer, the Australian government has gone to some length to support its citizens who have been affected by terrorism overseas. Since September 11, a number of Australians have been injured and more than 100 have been killed in overseas terrorist incidents. Assistance has been directed to victims of these events, including under the disaster health care assistance schemes, ex gratia assistance, consular and repatriation assistance and short-term financial assistance. The September 11th victim compensation fund, for example, provided assistance to those injured in the terrible attacks upon the World Trade Centre in New York, and their families. Substantial payments were made to the next of kin of Australians killed in those attacks in recognition of the sudden, unpredictable and tragic loss of life in that event. In total, in the last decade, more than $12 million has been expended on assistance and support for victims of overseas terrorism. But it is clear that the Australian government does require a way to recognise victims of overseas
terrorism that is both clear and consistent. And I want to commend the original motivation of the bill before the Senate, which arises from the advocacy of the member for Paterson and the Leader of the Opposition. The purpose of the opposition's bill is to provide additional financial support, I understand, of up to $75,000 for Australians who are affected by terrorism overseas, or their next of kin.

The bill before the Senate at the moment requires the Secretary of the Attorney-General's Department to administer payments to Australian families who have suffered as a result of an international terrorist act. But while one could support the original intention of this bill we are debating here today, the Australian government is already acting on this issue. Last year the then Attorney-General, Robert McClelland, introduced the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill to achieve a similar purpose to that of the bill we are currently debating. Unlike the bill brought on today by the coalition, that bill includes robust criteria for the eligibility of victims under the proposed scheme and a framework for administering payments. That framework includes the principles and guidelines by which any scheme would be administered, including the nature, duration and impact of the injury; the likelihood of future loss, injury or disease; the circumstance in which injury was incurred; the relationships between victims; the number of claimants relating to a particular incident; and other relevant factors.

The government bill currently before the parliament also seeks to clarify an ambiguity within the coalition's bill, relating to whether the scheme might apply retrospectively. As I have mentioned, over a long period of time the Australian government has attempted to recognise the impact on victims of overseas terrorism through ad hoc means. While it is not clear in the legislation we are debating, my understanding from public comments by the coalition on this bill is that their scheme is intended to apply retrospectively, duplicating some of the good work already done by the previous government programs of which I have already spoken and which are already in place.

With an issue of such traumatic impact and on a matter on which there is generally bipartisan support, I believe it is disappointing to have the opposition bring forward a private senator's bill to attempt to grandstand rather than actually seek to solve a problem. Despite the various technical and logistical issues with this bill that are clarified or resolved in the government's bill and despite a firm commitment from the Gillard Labor government to continue to pursue a compensation scheme that is essentially the same scale proposed by the coalition, the Liberal and National parties have found it necessary to showboat on this issue rather than get behind the serious and comprehensive efforts of this government. If they were genuine about wanting to do something in relation to the principle and the main objectives outlined in the government's bill to assist victims of overseas terrorism, they would have done so. They would have done so in supporting the government's bill. Instead, what we have here today is grandstanding, bringing forth their own private senator's bill for no other apparent means but to politicise and play a grandstanding game with this very important and significant issue. That is disappointing. But at the end of the day what is most important is that victims of overseas terrorism are supported by their nation. I sincerely hope that when the government's bill comes before this chamber the opposition will be as supportive about a bill that comprehensively addresses this issue as
they are about the political and parliamentary tactics they have employed in bringing on this debate today.

Senator WRIGHT (South Australia) (09:49): I rise to speak on the Assisting Victims of Overseas Terrorism Bill 2012. Compensation for victims of terrorist attacks is an extremely important matter for Australians and there is clearly tripartisan or cross-party support for this principle. Because of its importance, however, the mechanism for administering and funding this compensation must be addressed both effectively and responsibly, and that is where the Australian Greens believe there is still a necessary area for further discussion.

This bill proposes financial assistance of up to $75,000 for Australians who are injured or hospitalised, or whose next of kin is killed, in an offshore terrorism incident. The details of the scheme are not included in the bill. They are left to be included in guidelines, which have not yet been developed. The bill indicates that these guidelines would be developed by the minister.

Since September 11, 2001 more than 200 Australians have been injured and more than 100 have been killed in overseas terrorist incidents. Significant targeted assistance was provided to victims of those events, including through disaster healthcare assistance schemes, ex gratia assistance, consular and repatriation assistance and immediate short-term financial assistance through the Australian Government Disaster Recovery Payment. The Australian government has expended more than $12 million on assistance and support for those individuals and their families. To date, payments to victims of terrorism have been made ex gratia, using the executive power of the Commonwealth under section 61 of the Constitution. The Prime Minister and/or the cabinet decide, on a case-by-case basis, whether an ex gratia payment is to be made and have done so in overseas terrorism cases such as Bali and Mumbai. Ex gratia payments can be made from either departmental or administered appropriations. However, an appropriation must have an outcome that covers the payment.

I understand that there has been considerable negotiation between the government and the opposition on this matter in the House. There has been delay on the part of the government in taking action on this matter—a matter of great importance to Australians. The Australian Greens share the opposition's frustration in this regard. However, we believe it is important to have an effective scheme in place which is properly established and responsibly funded.

The main point of disagreement between the coalition and the government appears to be that the government has made a policy decision to not make retrospective payments, but the coalition has not made such a commitment. Senator Brandis's bill does not specify that the proposed framework applies to particular events, and neither does it specifically state whether or not it applies retrospectively. It provides that the minister must make guidelines which include the eligibility criteria for providing assistance of up to $75,000. Payments are made only if the requirements in the guidelines have been met. However, Senator Brandis has not ruled out the possibility that previous events which have been the subject of government assistance to victims may be included, whereas I understand that the government does not intend to declare events pre-dating passage of the legislation as being eligible for financial assistance.

Retrospective application of the scheme would effectively duplicate assistance and support previously provided to those victims.
As mentioned earlier, the Australian government has expended more than $12 million on assistance and support for individuals and families affected in terrorist acts since September 2001. In addition, the September 11th victim compensation fund provided generous financial assistance to those injured and the next of kin of those who were killed in the 9/11 attacks, including Australians. Payments of between $250,000 and $7.1 million were made to the next of kin of six Australians killed in those attacks.

The Australian Greens are concerned that retrospective application of the scheme would have significant impacts on the cost of the scheme. If applied prospectively, the estimated cost of Senator Brandis's bill is approximately $2.25 million per annum. This is based on the fact that approximately 300 Australians have been killed or injured in acts of terrorism overseas in the past 10 years, which works out to be an average of 30 victims per year. The figure of $2.25 million per annum assumes a payment of the full amount of $75,000 to each Australian harmed and to the next of kin of each Australian killed in an overseas terrorist incident, applied prospectively. However, if applied retrospectively the estimated cost of Senator Brandis's bill is approximately $24 million. This is an estimate by the government based on the number of Australians killed in terrorist events since 11 September 2001.

There are questions about how the bill will be funded. The bill proposes that payments would be funded from the contingency reserve, which is designed to reflect any unexpected events that cannot be assigned to individual programs. The Australian Greens do not believe that this is a satisfactory funding mechanism for such an important scheme and call on the opposition to indicate how they intend to pay for this scheme in a fiscally responsible manner into the future. Compensation for victims of terrorist attacks is an extremely important matter for Australians and there is clearly cross-party support for the principle. Because of its importance, the mechanism for administering and funding this compensation must be addressed both effectively and responsibly.

The Australian Greens do not believe Senator Brandis's bill provides a complete framework for the administration of these payments or an adequate funding mechanism for the scheme. We believe that these matters require, and would certainly benefit from, further examination by a Senate committee.

Accordingly, I move:

At the end of the motion, add:

and the bill be referred to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 8 May 2012.

Senator HUMPHRIES (Australian Capital Territory) (09:56): I rise to support this legislation and to note with some regret that senators in other parts of the chamber have seen fit to express support for this principle, describing it, in the words of Senator Wright, as a tri-partisan commitment towards acknowledging the pain and suffering of those who are victims of international terrorism yet cannot bring themselves to actively support this legislation, which has been carefully thought through and presents the framework for provision of assistance to people who are victims of terrorism. It will contain details of operation, as determined by regulation, and therefore, appropriately, does not specify details of the way in which grants should be approved. That is appropriately left to an administrative process below the legislation itself. Despite the relatively easy decision that the Senate could make today to support the framework for provision of assistance to
victims of international terrorism, it appears that is not going to happen.

The fact is that assistance to people who have been victims of terrorism is a fairly serious gap in our victim support arrangements in this country. For some time, states and territories have had victims-of-crime schemes which have assisted people in a whole range of settings, including, at least historically, for quite minor crimes, and yet people who have been unfortunate enough to be Australians overseas who have experienced the effect of one of the most heinous and scarring of crimes—that is, a deliberate terrorist act—have not, until now, had available to them some form of financial assistance. That clearly has to change.

Despite the discussion on the government's part of the need to do this, it is the case that it is the coalition which has brought forward legislation to respond to that need. It is not unfair to describe the government's own legislation as a reaction to that move rather than a parallel exercise that happened to have been engaged in before the coalition took this issue on.

Clearly, in administering a framework for this legislation, there needs to be consultation about how it will work. The Attorney-General would be required to consult regularly with representatives of victims and their families, other professionals working in the field, international humanitarian agencies and relevant bodies to ensure that the scheme was effective and met the needs of victims. Individual payments are capped at $75,000, which is pretty much in line with the schemes operating in the states and territories.

The concept is hard to argue with and I do not think I heard any particular argument by other senators with the concept and the structure of this legislation. I did hear some other comments which I think can be fairly rebutted. Senator Singh described the coalition's position as 'grandstanding' and 'showboating', but the truth is that this is legislation which is timely, important and relevant. I suspect that, if the government brings forward its own legislation, it will not look very different to what the opposition has already put forward. So why one could be described as showboating and the other described as comprehensive and genuine is a little hard to understand.

Senator Wright suggested in her remarks that there was a problem with the question of retrospectivity. She accepted a government estimate of what extra costs would be associated with a scheme which was retrospective if it ensured that people could claim again for compensation under this scheme on top of what they had already been able to obtain by virtue of ex gratia payments made previously by the Australian government. With great respect, it is fairly obvious that the scheme as administered under the guidelines or framework that the Attorney-General needs to formulate would provide that a person not be able to double dip in those circumstances. It is not necessary for the legislation to say that. It is necessary for the regulations to say it—I accept that—but nobody on this side of the house would seriously suggest that people should be able to claim twice for the same injury under a similar act of generosity.

It takes me somewhat by surprise to hear the Australian Greens bring forward concerns relating to the cost of a scheme like this. Even if we were to pretend for a moment that the scheme would cost as much as has been suggested—and I think it clearly will not—when the Greens ask, 'How can this scheme be funded?' it is a somewhat strange question to hear on their lips. They are the party who have promised a high-speed rail system up and down the entire east
coast of Australia, have promised to index Public Service pensions by the same indexation method used for old age pensioners and have promised a light rail system around the whole of Canberra. Those three promises alone would set the Australian taxpayer back at least $10 billion. So why we find the Greens quibbling over maybe $5 million to $10 million in the out years is very hard to understand. If the Greens were consistent about their concern about sourcing funds for important initiatives, I would be more prepared to take them seriously, but they appear only to be looking gift horses in the mouth when they come from other parts of the chamber.

It is important that, as a parliament, we indicate the greatest of solidarity with those people who are victims of international terrorism. They are not just any victim of crime. Although it is obviously odious to make comparisons between the effect of crimes on people, these are not, in a sense, ordinary victims of crime. They are victims of a crime which is a great scourge around the world and a form of crime which has, unfortunately, affected Australians. Although not particularly within Australia's borders it certainly has affected Australians. It is very important that the Australian community indicates that it will help and support those people who are victims of those crimes because these people, in a sense, are representative of a society which terrorists target because of the nature of that society. Terrorists, particularly the Islamist terrorists that have been the source of terrorist acts against Australians in Bali and elsewhere, target Westerners—Australians—because of the kind of society that we are. They regard our society as being decadent and godless and a society that needs to be punished for being the kind of society that it is. So those who are victims of that kind of criminal act are victims, in a sense, as representatives of Australian society generally. It is important that we ensure that people who find themselves in that unfortunate position have every support to rebuild their lives, particularly where they have suffered serious injury as a result of an international terrorist act.

It is not possible to be dogmatic about how much the scheme will cost in any given year, because the scheme obviously is activated by international terrorism and, sadly, such acts are not easy to predict. In some years there may be very few acts; hopefully, it will not be the case that in other years there will be more, but we cannot discount that possibility.

I commend this legislation to the Senate. I ask members to put aside their feelings that somehow this legislation steals a march on other things that others may have been planning to do. If the legislation is conceptually worthwhile, if it does something that we all agree needs to be done, which is to compensate innocent victims of outrageous acts perpetrated for ideological or sectarian reasons—if we agree that all of that needs to happen—then we ought not to hesitate to take the step presented to the Senate today to support legislation that will make that happen. If we are concerned about imperfections, we should bring forward amendments to deal with those imperfections. If we are concerned about the politics of it, I suggest that that is not a good reason not to proceed with the legislation at this time. I, for one, believe that it has been far too long since the first such terrorist acts affected the lives of Australians and that we need to move to do something about that. This legislation does something about that and it deserves the support of every member of this place.

Senator STEPHENS (New South Wales) (10:08): I rise to contribute to this debate on
Senator Brandis's private senator's bill, the Assisting Victims of Overseas Terrorism Bill 2012. Until the last few minutes I had intended to continue in the same vein as Senator Humphries because much of what he was saying is the absolute imperative we have as a government and as a legislature: to ensure that Australians travelling overseas who are the victims of a terrorism act can be guaranteed that they are going to be cared for by their government, regardless of its political persuasion.

Senator Wright made a very important point when she said that this is an important policy issue that has the support of all members of parliament. It is not something we should be playing politics with. Therefore, it is pretty frustrating that we have had this bill brought forward today for debate when last year, on 24 March, Mr McClelland, the Attorney-General at the time, introduced a much more comprehensive bill and no-one was playing politics about that at the time. That bill was developed in consultation and with lots of negotiation with the opposition, with Mr Abbott's office, with the shadow Attorney-General and with those people who were very concerned after the introduction of Mr Abbott's bill in 2009. It was tabled and nothing further was done with it and then it was tabled again in 2010, that time with an explanatory memorandum so people could understand the intent. From that point on there have been very significant negotiations to try to clarify issues and to seek important advice not just from the Attorney-General but from the people Senator Humphries mentioned today—the people who are part of this and are mentioned in Senator Brandis's bill. In the outline to the bill Senator Brandis says:

In administering the framework, the Attorney-General must regularly consult with representatives of victims and their families, community or welfare organisations, health professionals, international humanitarian agencies and any other relevant bodies.

And in his contribution this morning Senator Brandis pointed to the victims-of-crimes legislation in our state and territory jurisdictions as being the model on which his bill has been developed. But there is a problem here. The problem we have is that this Assisting Victims of Overseas Terrorism Bill 2012 is an isolated bill, standing within the framework of the Attorney-General and giving a lot of responsibility to the minister of the day in determining the framework, the eligibility criteria, the payment system, the administration and the development of guidelines, which are not here yet and no-one can guess what they are. So this bill sits outside other pieces of work that the government is involved in.

Senator Humphries was, I think, part of a recent Foreign Affairs, Defence and Trade References Committee inquiry into the treatment of Australians kidnapped overseas and the way in which they can be supported. Out of the experiences we have had of Australians kidnapped overseas there have been very serious, comprehensive and wise processes and guidelines put in place through our consular agencies to strengthen the capacity of our consular assistance to help victims and their families. And the model that came out of the investigation of the Brennan case has actually brought forward for the government's consideration, with the support of the opposition, a range of strategies and assistance measures that are all being rolled out and put in place now. Those measures are also consistent with the social security bill which is currently in the House of Representatives.

At the time of the introduction of the bill by Mr Abbott in the House of Representatives, the government was beginning the discussion around the National
Disability Insurance Scheme. Again, there are parallels with the complementary considerations to be brought into play in the way in which victims of overseas terrorist acts and their families will be treated when they are repatriated to Australia and the way in which their families are going to be supported through the trauma that is part of dealing with such awful incidents. So that is another part of the whole-of-government approach that we are trying to take to these issues. Again, Senator Brandis makes no mention of this. I have to say that his bill is disturbingly light on details and it does leave many crucial and critical questions unanswered.

We do not want to play politics with this issue; it is far too important. What we want to do is ensure that the way in which we provide support and the mechanism of support for Australian citizens who are victims of overseas terrorist acts are consistent with the ways the international community is trying to deal with them, because there has been an internationalisation of terrorism and we are part of the international community that is trying to deal with it. Through the lessons that we are learning and the way in which we are trying to craft a support package and a support network for people who are in this extraordinary situation, we are trying to be consistent with what is happening in other countries.

I would like to go to that for a moment, if I may, because you know, Madam Acting Deputy President, how interested I am in the way in which victims of terrorist acts are supported in Northern Ireland. That is a very good model for the way in which we are trying to prepare our own support. There are international best practice models: Israel, the United States and Northern Ireland. Israel pays compensation to victims of terrorist acts and it is financed through a national insurance scheme. This may well be part of one of the considerations in the framework of our national disability insurance scheme. We have yet to come to that kind of conclusion, but it does go to the issue of policy coherence.

Northern Ireland has a criminal injuries tariff compensation scheme, which was established in 2009, and that applies to all incidents occurring on or after 1 April 2009. That is dealing with the issue of retrospectivity and it is an issue that we too need to think about in Australia. To qualify for a payment in Northern Ireland, the person must be a victim of a crime of violence, and that can include arson or an act of poisoning. We do not even have a definition of a terrorist act in Senator Brandis's bill. We do not have that defined clearly enough, but in Northern Ireland they have actually said it goes beyond bombing and it goes beyond kidnapping. It can go to arson, and many fires have been set in Northern Ireland that have resulted in terrible tragedies. Poisoning is another interesting conversation we could be having about terrorism. Those people who are victims of some crime of violence are covered by the scheme. They need to be physically and/or mentally injured as a result and to have been in Northern Ireland at the time that the injury was sustained. That again is a very different model to the one we are discussing, because we are talking about Australian citizens in international circumstances where we do not have sovereignty. So we have to make sure that we are consistent with the international models and also that we are able to do the very best we can for Australian citizens in that situation. In Northern Ireland the compensation can include a prescribed lump sum payment for personal injury based on the scheme's schedule of mains amounts, and that aligns with workers compensation schemes here in Australia. Values are put on
the level of physical injury that may have occurred.

Such is the complexity of putting together a proposition so as to assist victims of overseas terrorist activities. That is why we as a government have not presented this argument and this package of support through an Attorney-General's bill but rather as an amendment to the Social Security Act. That is the way in which we want to consider supporting victims and their families through something that will be horrific, lifelong, terrifying and an enduring, debilitating experience for them. How long people can access assistance is a very significant issue for us to consider and it is being considered in the framework of the government's bill. I wondered whether Senator Humphries was aware that the bill had been introduced in the House of Representatives because he did seem to think that no matter who was putting this issue forward it was worthy of consideration.

I do not want to play the politics of this because the situation is so important. The government's bill, introduced in March 2011, has been the subject of significant negotiation around the detail. It is quite specific and very comprehensive. The explanatory memorandum is very comprehensive. The Bills Digest, which is available from the Parliamentary Library, is quite detailed and raises some issues too. Concerns raised by the community and our colleagues in the parliament are being taken into account by the Attorney-General and the Minister for Human Services. It is very difficult to stand here and say, 'Well, we are not going to support this bill.' Some would like to present it to the Australian community as meaning that the government was not going to be supporting victims of overseas terrorism. That would be an awful message because it is simply untrue.

We are acutely aware that the system is a little ad hoc, discretionary and challenging. The system needs to take into account the higher level of alertness that we have to terrorist activities around the world, the ways in which they may happen and where they may happen. Australians are avid travellers with the opportunity and the incentive to get out and see the world. Australian citizens caught up in terrorist activity may well be in countries where we do not have strong international support or with which we do not have bilateral relations. We are not thinking only of people who are killed in overseas terrorist incidents. In Bali in 2002, for example, there were 182 Australians injured, as well as the 88 who lost their lives. So this is not just a scheme that requires consideration of repatriation of the bodies of loved ones; it is also a scheme that needs to take into account the maiming and injury of Australian citizens and the way in which we are going to care for them, sometimes lifelong.

In Bali, 182 were injured and 88 were killed. For September 11, we do not actually have a clear figure of how many Australians were injured, but of course we do know that we had 10 Australians killed. In 2003, we had someone injured in an incident in Riyadh. We also had someone injured in Istanbul. In Saudi Arabia, we had an Australian national killed. In Bali, in 2005, there were 17 Australians injured and four more killed. In London, we had 10 Australian nationals injured and one killed. In Egypt, two more were injured and in Mumbai, India, in 2008, we had four. So you can see that around the world, as we see an increase in terrorist activity, the way in which we have to deal with victims of these kinds of incidents is actually going to become more complex. That is why as a government we are saying, 'Let's take a more
holistic approach. Let's find the way through."

If you go to the detail of Senator Brandis's bill, it is quite clear. It looks at a compensation level of up to $75,000. That is consistent with the government's position. Senator Brandis's bill does not actually make the point about whether they are primary or secondary victims, which the government's bill does. The government's bill acknowledges that there are secondary victims. They may be the families that are having to deal with a family member who has been severely injured or, of course, who has lost their life. So the idea that we can simplistically think about what is a very complex, distressing tragedy of Australians killed or injured overseas as a result of terrorism really does not do justice to those people who are in that unfortunate situation and it certainly does not do justice to Australians in giving them confidence when they travelling overseas.

Let us think very clearly about what is going to happen. The bill does not specify the proposed framework that applies to particular events. Neither does it specifically state whether or not the issue of retrospectivity is being considered. Previously, former minister Ellison, commenting on that 2009 bill, said that no, retrospectivity was not being considered because there had been significant compensation to the Bail bombing victims at the time. He made a general statement—not in the parliament but in commentary—about that. That is not clear in what Senator Brandis is proposing today. Senator Humphries also said that we would not expect that people would be duplicating the financial assistance already paid to Australian victims. Senator Brandis's bill does not go to the issue of travel insurance or where that might fit in the scheme of things. It certainly does not go to workers compensation, income insurance or those kinds of arrangements that people put in place now when they are travelling. So it is pretty short-sighted and pretty thin on the detail.

We know that terrorism is a type of war in which the enemy—the terrorist organisation—selects random victims as its target, and we, as global travellers, are significant targets. As Senator Brandis said in his introductory comments today, we are the enemy. People abhor our lifestyle. They believe that we are really undermining civilisation as they know it and they want to target us. So we need to be sure that what we put in place for Australians travelling overseas is consistent and that there is policy coherence across all of the government's work. That is critically important. We want to make sure that whoever is caught as a victim of terrorism in the future is provided support in the long term.

We are going to be working very closely to bring on the social security amendment bill; the Attorney-General is working to do that very soon. Can I say in closing that Senator Wright is right: there are issues that still need to be considered, and we would certainly be supporting the Greens amendment to refer this bill to a Senate committee for inquiry.

Senator FAWCETT (South Australia) (10:27): I rise to address the Assisting Victims of Overseas Terrorism Bill 2012, and I want to acknowledge the contribution of senators from both sides of the Senate and the crossbenches who recognise the importance of this issue and the responsibility we as legislators have to the people of Australia. The bill proposes the establishment of a framework to facilitate financial assistance for Australians killed or injured—or their next of kin—as a result of international terrorist acts. The explanatory memorandum goes through a number of the details of the bill in terms of the quantum of
the funds, the $75,000 which is in line with state and territory victims-of-crime regimes as well as the sorts of people who are stakeholders that would be engaged in both the establishment and ongoing management of the scheme.

The question, though, that the public may well ask is: why? Why should the government put in place a scheme to financially support Australians who have been targeted by terrorism overseas? As mentioned about the state and territory victims-of-crime legislation, there is a strong precedent in this nation of caring for individuals who have been affected by incidents that are no fault of their own. Victims-of-crime legislation is one example. Compulsory third-party insurance is another example whereby we put in place mechanisms to make sure that people who are injured have the opportunity to have care provided for them. A parallel process, which is in discussion at the moment, is the National Disability Insurance Scheme, where we recognise the ongoing burden and crises that many family face due to circumstances imposed upon them that are beyond their control. It is also worth recognising that opportunities for individuals to take measures to protect themselves against such things as terrorism have been reduced since 9-11. The insurance industry, for example, now routinely places exclusions for terrorist acts on all kinds of insurance, whether it be home and contents insurance, commercial insurance or, particularly, travel insurance. That means that, even if people wish to insure against such things to make sure they can provide for themselves, insurance companies include exclusions which prevent that. The government has taken some steps in terms of commercial insurance onshore to give business some confidence, but that does not extend to what we are talking about here with people overseas. There are precedents in countries such as Israel, the UK—Northern Ireland in particular—and the United States. Those jurisdictions have well-established systems of compensating people who have been the victims of terrorism, so there is strong precedent. It is interesting to note that all of those precedents are in countries that place a high value on the individual. That is one of the reasons we need to look at this issue, because it is a matter of principle that we support people.

Why are Australians being targeted overseas? I use the word 'targeted' quite deliberately, because terrorist acts are not purely random. The incidents are occurring, by and large, in locations which suggest targeting of liberal Western democracies, whether it be in the UK, the United States or places where people such as Australians go. We are all very familiar with the Bali bombings, where Australians were targeted, the London bombings and 9-11. DFAT has quite clearly identified in their paper Transnational terrorism: the threat to Australia that Australia is a terrorist target both as a Western nation and also in its own right. The paper explains that the transnational extreme Muslim terrorists see that:

Weakening the influence of the West would advance their political goals by helping undermine those Muslims they view as corrupt and open to Western influence. We are seen as standing in the way of their goal to transform the Muslim world into a Taliban-style society. According to their simplistic worldview, we are part of the Christian West which, to them, is un-Islamic and therefore illegitimate. The core values we hold and which are intrinsic to our success as a liberal democratic culture are anathema to these extremists. For them, our beliefs in democratic process, racial and gender equality, religious tolerance and equality of opportunity are mere human inventions at odds with God’s law. These values impede their political goals.
We have seen, recently, decisions taken, and endorsed by people like President Karzai, about the respective value of women compared to men and we have seen the oppression of minorities in countries such as Iran. This Senate has passed resolutions condemning the treatment of minorities in many countries. Different world views place different values on people. In Australia we value individuals, we value men and women equally and we uphold the principle of freedom. That makes us a target. That also means we should look out for those people who have been damaged or hurt in what various members in this place have described as a war against our world view and our way of life.

The coalition has long been a supporter of that principle. Going back to 2009, on 16 November, the now Leader of the Opposition, Mr Tony Abbott, tabled the Assisting the Victims of International Terrorism Bill. In 2010 Senator Brandis tabled the Assisting Victims of Overseas Terrorism Bill. On 21 February 2011, Mr Abbott again tabled a bill in the other place. This current bill is the latest in a succession of attempts by the coalition to uphold this principle.

The other reason we should be considering this bill is practice. At the moment, because our nation does value individuals, we have provided strong support to people who have been victims. As has been mentioned by various speakers in this debate, that support is somewhat fragmented, somewhat unpredictable and relies largely on a number of small grants and programs bringing together existing streams from departments such as Centrelink and on specific ex gratia payments, which can vary quite significantly. So for the interests of consistency it is appropriate that this Senate and this parliament look to provide a framework which provides some certainty as to the payments that would be made.

I support the comments made that this is not just a one-off for a short-term issue. Whether we are talking about Australians who are injured as uniformed soldiers in a war or whether we are talking about Australians who are injured through acts of terrorism, the actual act and the immediate aftermath, which so often creates a lot of public goodwill and interest, can be a life-changing, long-term devastating incident for those families. So, as a nation, we need to consider not only how we respond to the short term and the immediate but how we respond to those people and support them through a very long journey of recovery. I believe that is an area we will need to continue to discuss and debate in this place so that we can have a viable, affordable method of supporting those fellow Australians who, through no fault of their own, now face a very difficult life because of injuries that have been received, whether in the service of this nation or through being innocent Australians abroad who have been caught up, whether in London, the United States or wherever. We had artists in New York looking to exhibit their works, we had tourists and people working in London and we had people holidaying in Bali. These are all things that we would expect any person to have the right to go and do. When not only are there people killed—with that impact on their family—but there are a large number of people injured, that is an ongoing issue. We, as a nation, need to have a system in place to care for them.

Whether because of the precedent, because of the principal or because of the problems with current practice, we do need a better framework. It has been a long-held principle of the coalition—from November 2009 to 2010 to 2011 to now—to try and bring before this parliament legislation to get
a better framework, and for that reason I support the bill.

Senator FAULKNER (New South Wales) (10:38): Let me begin my contribution to this debate by joining all those other senators in this second reading debate who have acknowledged the threat of terrorism to Australian citizens at home and abroad.

This is, in my view, a most worthy matter for the consideration of this Senate because we do face the very stark reality that Australians have been deliberately targeted by terrorist groups overseas. The global reach, ambition and unpredictable nature of international terrorist groups have made Australians travelling overseas vulnerable in all corners of the globe. We know that Australians are not immune from terrorist attacks overseas.

I am going to do something that is very unusual, Madam Acting Deputy President, but there appears to be a problem with the clock here. I think it would be a terrible thing for the Senate if my speech were stuck on nine minutes and 52 seconds for the remainder of this sitting day! I do not know how Hansard is going to record that, but nevertheless we move on.

I was making the critically important point that experience does show us that Australians are not immune from terrorist attacks overseas. Since 11 September 2001 more than 200 Australians have been injured and more than 100 killed in overseas terrorist incidents. This includes the 88 Australians who lost their lives in Bali in 2002. Terrorism knows no boundaries. Australians have been affected by terrorist attacks in New York, London, Jakarta, Mumbai and Istanbul.

The Criminal Code Amendment (Terrorism) Act 2003 defines a terrorist act as an action or threat of action where the action causes certain defined forms of harm or interference, and:

... the action is done or the threat is made with the intention of advancing a political, religious or ideological cause; ...

Past Australian governments, both Labor and coalition, have assisted Australian victims of terrorist incidents overseas on a case-by-case basis, providing them with medical and evacuation support, consular assistance and assistance with funeral costs and other expenses on an ex gratia payment basis. The Australian government has also provided assistance to Australians affected by terrorist attacks overseas through a range of other mechanisms, such as healthcare assistance schemes and the Australian government disaster recovery payments. These schemes have provided healthcare assistance not only to Australians adversely affected by offshore terrorist attacks but also to those who have been affected by other events, such as natural disasters.

I think that in a debate like this it is important to recognise that to date there has been no comprehensive scheme that covers Australian victims of terrorism occurring overseas. I also recognise the importance of ensuring that assistance and support provided to Australians affected by terrorism overseas is appropriate and is adequate.

The parliament faces a choice now between, effectively, two approaches to deal with the victims of overseas terrorism. In my view, both are well motivated, both are well intentioned and both address inadequacies in the way we have assisted Australians affected by overseas acts of terrorism in the past. So I know that on all sides of the Australian parliament there is recognition that more comprehensive, more specific and better measures are required to ensure that the vital assistance that is required is extended to Australians that fall victim to terrorist attack outside our borders.
In the government's case, it has introduced the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. In the case of the opposition, Senator Brandis on behalf of the opposition has introduced this bill, a private senator's bill, the Assisting Victims of Overseas Terrorism Bill 2012. The government bill, currently in the House of Representatives, provides for financial assistance of up to $75,000 for those injured or harmed or the next of kin of those killed by an act of terrorism overseas. The new scheme proposed by the government does not apply to victims of past incidents because, obviously, previous governments have already made determinations about the assistance and support offered for those victims of earlier terrorist incidents overseas and there is, of course, the issue that might arise of retrospective payments effectively duplicating what might already have done.

Senator Xenophon: The regulations are to fix that.

Senator FAULKNER: A very good interjection, as sometimes there is from Senator Xenophon. He talks about the possibility that subordinate legislation might deal with this matter, and of course that is true. I hope that Senator Xenophon would agree with me that the best way forward here is for the government, the opposition, minor parties and Independents in the parliament to work collaboratively on this issue. I hope Senator Xenophon would agree with this.

Of course the government will support its own bill, but I would argue that there should be collaboration across the chamber, where I believe there is a high degree of unanimity—total unanimity—about the importance of dealing with this matter and members and senators are of one mind about the high priority this is. There is every opportunity that a collaborative approach will ensure that the parliament and, of course, more importantly the victims of terrorism will achieve the best outcome. I note that Senator Wright, on behalf of the Australian Greens, has proposed that this bill be referred to the Senate Legal and Constitutional Affairs Legislation Committee for inquiry and report by 8 May 2012. I do think that such an approach might be a very useful step in achieving that best outcome that I have spoken about.

So I do acknowledge the support and concern around the chamber, across all parties, for our fellow Australians who have fallen victim to terrorist attacks overseas and the importance of us ensuring that we have in place the best possible legislative framework to support victims of terrorist attacks overseas into the future. It is not surprising that the government considers that the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 is the best way of ensuring that victims of terrorism and their families are provided with the support that they need from the federal government, but I acknowledge again the fact that all parliamentarians are well motivated in this regard.

The threat to Australian citizens from terrorism overseas is real. The need for this parliament and the Australian government to deal with this issue is also real. I have welcomed the opportunity of speaking in this important second reading debate, and I commend to the Senate the approach that I have outlined as a sensible way of moving forward to achieving the shared outcomes that have been spoken about by all senators participating in this debate.

Senator BIRMINGHAM (South Australia) (10:53): It is often a pleasure to follow Senator Faulkner in debates in this place and it is no less so on this occasion. As
Senator Faulkner said in his concluding remarks, the threat of terrorism against Australians is real and the need to deal appropriately with all aspects of that threat is equally real. The legislation before us, the Assisting Victims of Overseas Terrorism Bill 2012, seeks to deal with one aspect of the issues related to terrorism against Australians—just one aspect, but one very important aspect, and that is the support, assistance and recognition that is provided to Australian victims of terrorism in an international context.

As many of the contributors to this debate have highlighted, over the last decade in particular we have seen, and been reminded all too often of, how real that threat to Australians actually is. We have seen some 300 Australians suffer, as we know, as a result of terrorist incidents. We have lost the lives of Australians in incidents such as, of course, in the terrible attacks of 11 September 2001 on the World Trade Centre; in Bali, on two separate occasions; in London and in Jakarta. Senator Stephens in her contribution listed many other parts of the world in which Australians have been injured and have suffered because of acts of international terrorism. Where Australians have died, overwhelmingly those attacks have been because of and targeted at the way of life that we in Australia have. Those Australians and others of Western nations have been targeted because fundamentalists want to wage a war against our way of life—the democratic freedoms that Australians and our allies in Western countries and others around the world espouse; those democratic principles and principles of freedom that we believe are so very important.

I am pleased that, in general, there is agreement throughout the chamber on the importance of what this bill seeks to do. This bill seeks essentially to provide assistance and support to Australian victims of terrorism analogous to the type of support provided to victims of crime in the Australian community. To put it in simple terms, if an Australian suffers hurt, injury or death as a result of a criminally related incident within Australia, there are schemes at the state level that provide a modest sum to the victim or the family of the victim in recognition of the pain they have gone through. In a sense it is a sign that the community wants to recognise the pain that they have gone through and to help them through those difficult circumstances. This legislation simply seeks to ensure that a similar scheme is in place for Australians who face and suffer similar pain offshore as a result of the types of terrorist incidents that I have mentioned. So I think this is a very important step forward.

The legislation puts in place provisions that ensure it is comparable to the state schemes I have highlighted. Payments are capped at $75,000, a modest sum—because this is not about compensation in a legal sense as it may be applied through the courts; this is about recognition and assistance—but a sum that, nonetheless, will be very helpful to people as they recover from injuries or from the loss of a loved one.

Senator Faulkner, Senator Stephens and others have highlighted that there is a not-dissimilar government proposal before the parliament: the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. I welcome that piece of legislation. I look forward to seeing the parliament deal with this issue, whether through Senator Brandis’s legislation or the government’s legislation, in a sensible way that actually gets an outcome. I think that is an important thing for us to aspire to. It is for that reason that the coalition is happy to cooperate with and accept the Greens’ amendment that there be a Senate inquiry into this bill, because we accept that there is
an appropriate place for looking at the operation of the bill, to make sure that all the issues are considered. But, hopefully, as a result of that, we will then see the swift passage of at least one of these bills. For a long period of time now, people have been talking about and seeking to achieve the type of action, the type of assistance, that this legislation will deliver. I do hope that, as a result of that inquiry, we will see either the relevant amendments to satisfy the concerns of all contributors to this debate that will see this bill pass or the swift passage of the government’s bill. But let us see some action. Let us not see any more delays on this matter.

Responding to terrorism is not just related to the types of support and assistance that governments provide to victims. The support provided to victims has been well canvassed in this debate, including the types of support this bill seeks to apply and the practical assistance that governments of both persuasions have provided and, I have no doubt, will continue to provide to Australians who find themselves in trouble overseas. But the response to terrorism also involves trying to prevent it in the future and trying to hunt down, where necessary, the sources of the terrorism.

I compliment the new Minister for Foreign Affairs, Senator Bob Carr, for the way in which he addressed some of those issues in question time yesterday. Senator Bob Carr was asked about our role in Afghanistan. Australia entered Afghanistan under United Nations mandate to try to respond in particular to the attacks of September 11, to respond to the Taliban’s involvement in and support of al-Qaeda and to try to ensure that we do not again see a state sanctioning, assisting or supporting the type of terrorist incident that occurred on September 11, 2001.

I can understand why, in the decade that has passed, many people now ask what we are still doing in Afghanistan and why we are there. Of course, 32 fine, young Australian servicemen have paid the ultimate price for our engagement in Afghanistan, and we have honoured and recognised each of those sacrifices in this place, as we should, and we should never forget what they have given. However, as Senator Bob Carr indicated yesterday, we are there for good reason. We are there because we sought to—and we seek to—deny the likes of al-Qaeda safe haven, a place from which to base their operations. In a country like Afghanistan, we also seek to leave the country in a better place, to ensure that, hopefully, the people of Afghanistan enjoy a better lifestyle under the government in the circumstances in which we leave the country than they did before the forces of Australia and other countries took the action that has been taken.

I compliment Senator Carr because I thought the fact that he highlighted at least one of the positive achievements that have occurred in Afghanistan, in response to questions on the matter yesterday, was very important. We do not hear those positive indicators often enough in this debate. For those who may have missed it, I again highlight the educational outcomes that he indicated are occurring. In 2001, there were just one million young Afghans enrolled in their school system, virtually none of them young women. Today, there are over seven million young Afghans receiving an education, with around 2.5 million young women. That is a fine accomplishment. It is through a sound education system for those millions of additional young Afghans that we will see an Afghanistan that in the future is better able to have a successful economy, to engage sensibly in world affairs and to enjoy the types of advancements and
opportunities that we hope to see in place for all Australians around the world.

In this place, and particularly throughout the Australian community, we need to do more and to say more to highlight the accomplishments that have occurred in Afghanistan. It is all too often too easy to dwell on the negatives and on the tragedies. Yes, there have been tragedies—there was a terrible tragedy this week—and we should acknowledge those and should mourn those deaths and those occasions where things have gone wrong; but, equally, we should highlight the accomplishments and the fact that the 32 young Australian troops, and the many more from other countries, who have fought and died in Afghanistan have not done so in vain and have done so to protect Australians and others from international acts of terrorism and, in doing so, have provided a better life for millions of Afghans.

Because I may not have a chance to do so elsewhere in this debate, I highlight another instance of inhumane activity that is occurring in the world at present and some action that will take place today. Today, during question time, senators will be asked to sign a letter to the ambassadors of Russia and China that will circulate around the chamber. This letter relates to what is happening in Syria—another instance of oppression happening in the world at present and another instance about which many have grave concerns for the human rights violations occurring and for the acts occurring that replicate, in some ways, the types of terrorist incidents that we have talked about on occasions in this debate. Today is the one-year anniversary of the beginning of the uprising against the Syrian government. It is estimated that in this past year between 6,500 and 7,500 innocent civilians have been killed in the conflict in Syria. Tens of thousands have been injured or arrested, and around 18,000 people are thought to be facing arbitrary detention without the right to a fair trial. The letter that will be circulated in this chamber by Senator Moore and me and in the other place by Mr Ruddock and Mr Laurie Ferguson highlights: The grim catalogue of torture and other ill treatment that has emerged from Syria's detention centres in a year of unrest against President Bashar al-Assad's government.

The letter calls on the United Nations Security Council to refer President al-Assad to the International Criminal Court for crimes against humanity, to freeze the assets of the president and others involved in the regime in Syria and to impose an arms embargo. These are actions that the UN Security Council should have undertaken but sadly has not because member states, particularly Russia and China—to whom this letter is directed—have resisted this type of action through the UN Security Council. It calls on the ambassadors of Russia and China to urge their countries to use their influence over Syria and their influence at the UN Security Council to end this type of abuse. I hope that in some small way today's gesture by parliamentarians of all stripes will apply a little extra pressure for some outcome in that regard and, in doing so, will ultimately lead to a better outcome for those who are victims of terrible acts in Syria.

I return to the legislation before us, the Assisting Victims of Overseas Terrorism Bill 2012. This legislation has a great capacity, and is an opportunity, to provide some assistance to Australian victims of terrorism. In closing, I urge the Senate to ensure that, after the inquiry into this legislation is complete, this matter is dealt with and dealt with swiftly. Whether through this bill or the government's bill, we should at least see put in place by the federal government a positive outcome and the support that is deserved and
warranted by Australian victims of terrorism. I commend the bill to the Senate.

Senator XENOPHON (South Australia) (11:10): I will not take much of the Senate's time because much of what I wanted to say has been said by my colleagues on both sides of the debate. It is clear that there is an unambiguous need to give greater support to victims of terrorism. It is clear that the current mechanisms in force are inadequate. It is clear that having ex gratia payments is not an adequate way of dealing with such matters. Current mechanisms are too ad hoc and not part of an overall scheme which provides consistency and reliability.

The issue is how we best advance this. I agree with Senator Faulkner that we need to have a collaborative approach. However, I believe that this bill, the Assisting Victims of Overseas Terrorism Bill 2012, does have merit. It is not fair to characterise this bill as a piece of grandstanding, as some have. It is important that this bill be debated. It is an issue that needs to be sorted out. This bill has a number of features that are superior to the government's bill, particularly in relation to retrospectivity. Senator Faulkner made a very good point about that, suggesting, as I believe he did, that it could lead to an anomalous outcome in the event that a victim of terrorism has already received a measure of compensation. That could easily be fixed by the regulatory framework, the subordinate legislation proposed and anticipated in this legislation.

It is important that we consider the cost of this scheme. My South Australian colleague Senator Wright indicated some concern about the costs involved and the cost implications. This is not a criticism of Senator Wright, but an upside estimate of the cost of paying former victims of terrorism—to ensure that this bill is retrospective—is of the order of $20 million. If as a nation we can find $16 billion for 100 Joint Strike Fighters and $10 billion for a clean energy fund then I think we can find $20-odd million to compensate victims of terrorist acts. Senator Humphries was correct when he said we do not know how much this scheme will cost because of the very nature of the scheme. I hope that this scheme does not cost anything in the sense that I hope Australians are not subjected to acts of terrorism and people are not injured or killed by such acts, with the devastation and the heartache they cause. We do not know how much this scheme will cost, and I hope it is not much at all—if so, the world is a safer place.

We need to get on with this. Senator Faulkner's comments about a collaborative approach are very worthwhile. We should get the interested parties together in a room and thrash this out, because if we are seen by the Australian people to be bickering about the fundamental issue of some measure of justice for victims of terrorism then that reflects badly on all of us. I think there is enough goodwill in this place and in the other place to sort this out.

I finish by referring to a person I have enormous regard for and with whom I have discussed this issue on previous occasions. I hope to be in a position to catch up with him in the not-too-distant future. The person is Brian Deegan, a former South Australian magistrate. I regard him as a friend and I believe he is an incredibly decent human being with enormous integrity. Brian lost his beloved son Joshua in the Bali bombings, on 12 October 2002. Joshua was on a postseason Indonesian holiday with his teammates from the Sturt Football Club, which had just won the South Australian National Football League premiership. Brian has written a book titled Remembering Josh: Bali, a father's story. It is a very powerful testimony to his experiences and the trauma
that he and so many others went through. It took an enormous act of courage for him to do that and to take the stance he took subsequent to that.

But that is not the issue. The issue is that Brian Deegan, as a former magistrate and a practising lawyer, raised the importance of there being a scheme in place to assist victims of terrorist attacks. This bill is a significant step forward in relation to that, as is the government's bill. But for goodness sake, let us all get together, sort this up once and for all—sooner rather than later. I think Australians demand that of us.

Senator IAN MACDONALD (Queensland) (11:15): It is good to participate in a debate where everybody agrees with the sentiments of the bill before the parliament. I am certainly one who will be supporting this bill, the Assisting Victims of Overseas Terrorism Bill 2012, and I encourage all other senators to do the same. As I have listened to the debate this morning, I have heard many people relate particularly moving experiences. I thank Senator Xenophon for the brief but very important contribution he just made and I have to say I agree with most of what Senator Xenophon said.

It is clear that the coalition, the Labor Party, the Greens and the crossbenchers think that there is an important point in proceeding with legislation that provides for compensation. As I listened to the debate, I kept asking myself: if everybody agrees, why is it that the bill is not going to be passed because the Labor Party and the Greens will not be supporting it? I say to the Labor Party and the Greens: please, if you have a better bill, bring it forward, let us debate it, let us look at it and, as appropriate, let us move amendments. But let us get on and do something about it. If this bill is passed today, as I hope it will be, then we will be starting the process.

From what other speakers have said—and I was unaware of this until I heard the debate today—this process has been going on for in excess of two years now. It seems to me that in that time we have passed a series of 18 bills that will impose the world's biggest carbon tax on Australians. That very complex series of 18 pieces of legislation was guillotined through this parliament. We are all absolutely confident that there will be elements of those 18 pieces of legislation that will be challenged in the court—in fact we hear on the news today that the whole carbon tax parcel of legislation is going to be challenged because of the alleged unconstitutionality of it.

The point I am making is that the government was able to draft, prepare and ram through both chambers of parliament 18 pieces of complex legislation in next to no time. I say 'next to no time' because we know Ms Gillard promised at the last election that there would be no carbon tax, so the Public Service, the draughtsmen, would have put that out of their mind. As is the wont of this government in relation to taxation matters, promises mean nothing. But the point I am making is that those 18 pieces of legislation were able to be prepared, drafted and rammed through parliament in a matter of months. Yet in respect of this piece of relatively simple legislation—everyone here has said it is not terribly complex and does not involve a great deal of money—for some reason which I do not understand the government seems to be procrastinating in bringing forward what Labor speakers have said is an excellent piece of legislation that will fix everything.

If that is the case, why isn't it before the chamber today? Why aren't we dealing with it? It is a very simple question and I hope
that someone might be able to answer it. If someone were able to indicate to me that the Labor government is bringing forward a piece of legislation that has been properly consulted upon and has been discussed with the opposition and the crossbenchers in a nonpartisan way, even without seeing it I would feel fairly confident that I would be supporting that piece of legislation as well. But despite, or perhaps because of, the procrastination of this government on that front, we now have a bill to assist victims of overseas terrorism before the parliament today which can be voted upon and, hopefully, adopted. I am very pleased to support this bill so we actually do move forward.

As Senator Xenophon indicated, there seems to be concern on the government benches that retrospectivity may cost $20 million and we do not know what this is going to cost in the future. I agree absolutely with Senator Xenophon when he says that all of us would hope that this will cost absolutely nothing. That would mean that in the future there will be no victims of overseas terrorism. But, if there are, we as a compassionate nation and a wealthy nation should be making provision for those who are victims of that terrorism.

Senator Xenophon mentioned a figure of $20 million. When you consider that this government is borrowing $100 million each and every day, $20 million to spend retrospectively on victims of terrorism seems to be a mere drop in the ocean. To oppose or not vote for this bill on the basis that it might cost $20 million seems to me to be foolish and disingenuous in the extreme.

This bill proposes, as other speakers have said, to establish a scheme to compensate Australian victims of overseas terrorist attacks. It is proposed that the scheme be similar to those that have long operated in Australian states and territories. State victim of crime legislation was rightly implemented decades ago. There is nothing new, there are no surprises, in how this legislation operates in the states and how it is funded. It seems to me disingenuous that, if the states could do this in years gone by, this federal government cannot bring forward a bill that is universally accepted to deal with an issue which everybody in this chamber agrees upon. So I urge senators to support the bill.

If for some reason the Labor Party thinks that it has a better bill, bring it on. Let us have it before the chamber. Let us see if it does need amendment. Let us move and debate amendments. Let us look at costings that the Public Service may have been able to bring forward. But, please, let us get on with it. Do not wait another two years before this issue can be addressed by this federal parliament. If nothing else, hopefully this bill will have said to the government: 'Look, get on it; don't procrastinate. You have been able to do it with taxing bills. When you want to raise taxes, you get those things very quickly through the parliament.' We are dealing with some of the most complex pieces of legislation in the Senate this afternoon with the mining tax bills—more taxing bills that the Labor Party is very able to prepare, to draft, to fund and to get before this parliament in a relatively short period of time; yet this bill, which by comparison is simple and not complex, seems to have the Labor government stalling.

While I am speaking on this bill relating to victims of terrorism, can I just digress ever so slightly with the concurrence of the Senate to acknowledge the men and women of the Australian defence forces who do such a lot in the fight against terrorism. All Australians know that we are in the war in Afghanistan because it is a war against terrorism that we must win. We know it has the universal support of all Australians. The
sorts of things that happened in New York on September 11, in Bali and elsewhere are abhorrent to any decent human being in this world. That is why in the case of Afghanistan we have gone to war to try and address terrorism and the root causes of terrorism and those people who would conduct terrorist activities and create death and mayhem and the victims which this bill is all about. It is the men and women of our defence forces who are the frontline in this war on terrorism in Afghanistan.

Speaking as a Queenslander and an Australian as well—I do not want to be partisan about the states—I come from a place up in the north of Queensland at Townsville where we have Australia's largest Army base. Daily we see the very fine individuals who constitute Australia's Army and Air Force and irregularly the Navy as it calls into Townsville to pick up troops and to deliver goods to the Lavarack Army base in Townsville. Our troops—our soldiers—our sailors and our airmen are the best in the world. Their training is impeccable. It is rigorous. They know how to conduct their warlike operations but at the same time be careful, as you have to be these days, of civilians who are in the area of conflict. That is no easy task. Our men and women do a fantastic job. I think all Australians recognise that. The increasing numbers that turn out at military parades on Anzac Day, Kapyong Day and Armistice Day are a testament to the fact that all Australians are attending not only to commemorate the event but also to give support to the troops of today who always participate in those commemoration services. The troops do a mighty job.

You will excuse me for being a little parochial as a Queenslander, but we do have Australia's largest Army base at Lavarack. We have two of Australia's finest training areas in Shoalwater Bay near Rockhampton and at High Range behind Townsville and also the jungle training up near Innisfail and the old Canungra training ground. I do not think it exists any more, but they do train around that area. We have Enoggera in Queensland, another very substantial Army base. We have one of the most significant Air Force bases in Amberley and again in Townsville at Garbutt, air bases with very long history. I am always proud to mention a fact not many people understand and that is that Australia's second largest east coast naval base is situated in Cairns in Far North Queensland. I would certainly hope that in the not-too-distant future, as Sydney Harbour gets more crowded and other activities intervene which make it less appropriate to have Australia's biggest naval base in the centre of Sydney, the naval base at Cairns will be expanded to accommodate more of the vessels that of necessity must leave Garden Island.

In this debate on victims of terrorism I acknowledge the great work that our defence forces do in defending us against terrorism by their activities overseas. I note an incident quite recently where, thanks to the good work of the security services and the police, a proposed terrorist attack on an Army base was thwarted. It shows, as other speakers have mentioned in this debate, how targeted Australians are and, I have to say, how targeted our Australian servicepeople are because of their excellence in combating terrorism wherever it occurs. I know, in those words of commendation and congratulations I offer to the men and women of our defence forces, there would not be a senator in this parliament who would disagree. I would like those troops to know that we as legislators and as parliamentarians acknowledge, respect and understand the great work that they do.

To get back to this bill: I think it is important that, if people are the victims of overseas terrorism, they should be
compensated. If Australians are victims of criminal acts in Australia, they will invariably receive some compensation, some monetary benefit, from the state or territory government. It is not a lavish amount; it is not a sum of money that will enable people to live in luxury for the rest of their lives. But it is an important acknowledgement from our community of the abhorrent and completely unjustified pain and suffering of the victims.

This bill proposes a federal scheme that will be similar to the ones in place currently in the states and territories of Australia. The amount involved, as I was just saying, is not a huge amount—$75,000 is proposed. Nothing will overcome the loss, hurt or damage to body and soul that terrorism can cause to people, but it is a token that will help people get on with their lives and help the families of victims to get on with their lives. I think it is a bill that is long overdue and urge the Senate to support it.

**Senator EGGLESTON** (Western Australia) (11:33): I agree with the sentiments just expressed by Senator MacDonald. I think this, the Assisting Victims of Overseas Terrorism Bill 2012, is a very important bill. It is very timely and it does address a very real problem in terms of compensating and helping to look after people who are the innocent victims of terrorism overseas. I commend the authors of this bill, who have recognised the importance of this issue and proposed to assist victims of overseas terrorism. Regrettably, in this day and age terrorism is much more prevalent around the world than it ever has been. We now live in the world of the urban terrorist who can plant bombs in parked cars and in rubbish bins, as we saw in Sydney many years ago when a bomb was placed in a garbage bin outside a hotel. In London there were the bombings on the buses and on the underground trains. There have been bombings in Spain and, of course, bombings closer to home in South-East Asia—in Bali, where we all recall the devastation which occurred following the bombings in 2003.

As it happens, that is the closest I have ever been to a terrorist incident. I was in Indonesia with a parliamentary delegation a week before the Bali bombings and visited Surabaya and East Java, nearby where, we later heard, the Bali bombings were in fact put together. So bombing from terrorism is not an issue that is unlikely to occur. There are terrorists in all parts of the world and, sadly, bombings and indiscriminate terrorist actions are now a factor which has to be considered when travelling.

This bill proposes the establishment of a framework to facilitate financial assistance for Australians—or their next of kin—killed or injured as a result of international terrorist acts. These may occur in hotels, in bars, in shopping centres, in trains, in buses and even in aircraft, as we know from the Lockerbie bombings, from the sad crash of that 747 and from the gentleman who was apprehended at Detroit Metropolitan Wayne County Airport with a bomb strapped to his underpants on Christmas Day a few years ago. That would have brought down an aircraft full of people. Acts of terrorism are now very common, very widespread and we all have to factor in the possibility of being a victim of terrorism when we travel overseas.

It is proposed that the framework of this bill will be administered by the Attorney-General's Department and that it will provide eligibility criteria for claimants of financial assistance. The financial assistance provided must be available to those who suffer or have suffered injury requiring hospitalisation as a result of an international terrorist act. In the event that such an act causes the death of a person, the assistance will be available to the person's next of kin. The proposal is that
Australian victims of overseas acts of terrorism would each receive up to $75,000. The scheme is modelled on state and territory laws and schemes which provide compensation to victims of serious crime. It is proposed that the payment would be on a sliding scale, with more serious injuries receiving a higher payout—which is only right and proper. I heard some mention earlier in this debate that $75,000 as a maximum was not a great deal of money for somebody who has suffered a severe head injury, but it is at least a start and it would be very helpful, for example, to the widow of a victim who died from terrorist bombing in that it would enable a family to meet its financial commitments during the period of the immediate aftermath of such an incident.

I understand that over the past decade about 300 Australians have been killed or injured in acts of terrorism around the world, which is about 30 people a year. That is quite a significant number in the sense that it is indicative of the fact that overseas travel is no longer without risk. I think that 20 or 30 years ago we would not have taken into consideration the risk of terrorist action, but it is something we certainly need to do now. Using the average of 30 victims a year, the maximum payment of $75,000 would cost an estimated $2.25 million per annum, which is not a lot of money in terms of the federal government’s budget. Of course, these payments would be only intermittent.

I think this is a very important and timely piece of legislation which does address a real need, and the people who have put this legislation together should be congratulated on seeing this need and addressing it. Having said that, however, I think it is very important that when people travel overseas they take as much trouble as they can to protect themselves and to provide cover for themselves should they be the victims of a terrorist act. Many people would know that

the Department of Foreign Affairs and Trade these days has a Smartraveller scheme which enables a person who is travelling overseas to go to the DFAT website and enter their name and their itinerary so that if some incident occurs the department is at least aware that there may be Australians within the general area. That is a very important scheme and the Department of Foreign Affairs and Trade should be congratulated for establishing that scheme. I think that the existence of the Smartraveller website should be more widely known.

Another very important thing that people travelling overseas should do is to take out comprehensive travel insurance, because, whether it is a terrorist attack or an injury from other causes, medical treatment in other countries is often very expensive, and that often comes as a great shock to Australians, especially to those who need more sophisticated treatment, such as a period of time in an intensive care unit. In Australia that would be free of charge under Medicare in a public hospital, if you chose to be treated in a public hospital. In other countries, however, the cost of intensive care treatment can be horrendously expensive. I think that the risk, however small it may seem, of requiring that kind of treatment should be reason enough for everybody to take out comprehensive travel insurance. When you do so, it is very important to read the small print on the policy to make sure that the policy does provide for air evacuation to Australia if needed after an accident, injury or terrorist act. The cost of air evacuation can be very expensive. If it is done by scheduled airline, the companies that provide medivacs—medical air evacuations—have to occupy six or eight seats in the plane, which inevitably costs a fair bit of money. There are doctors and nurses who have to travel with the victim and often they have several teams of such
people if the distance back to Australia is long. Coming from Europe, for example, at some point along the route there would be a second team of doctors and nurses put on the plane to look after the individual. It is very important for people travelling overseas to always have comprehensive travel insurance and to always read the finer details of the policy to ensure that they are getting the coverage they imagine they are getting when they buy the policy. It is very important to buy a policy from a reputable service provider. You can buy one online from some of the big international travel agencies and companies or from a local travel agent whom you trust and respect.

I come back to the issue of international terrorism and particularly the assistance provided to the victims of overseas terrorism. As I said, terrorism is sadly now a fact of life in the modern world. We must always be aware of the danger of terrorism, particularly when going to Third World countries where there are political issues, to the Middle East, to Africa or to some parts of Asia. Some countries are much more risky to visit than others. Before travelling to such countries, it is important people go to the Department of Foreign Affairs and Trade website and have a look at the travel warnings, which the department puts out on every country in the world to advise of the risk to individuals in travelling to those countries. There has been a need for this kind of compensation to be paid or to be available to the victims of overseas terrorism for some time. I am very pleased that this bill has been proposed. It fills an important gap and I commend this bill to the Senate.

Senator FISHER (South Australia) (11:46): I too rise to speak in support of the Assisting Victims of Overseas Terrorism Bill 2012. Travellers, like soldiers, these days need to accept the risks. Neither soldiers nor travellers go overseas to be injured or to die, but these are risks that both soldiers and travellers must now accept as a potential reality. It is now on the notice paper, as it were, for our civilian population to think about preparation and to think about self-help in the event of a tragedy when travelling overseas. Initiatives of the sort that Senator Eggleston has just spoken about such as Smartraveller, travel insurance, self-help and good old commonsense when we are travelling overseas must be the very first steps.

This bill seeks to make appropriate and modest provision to Australians travelling overseas who are injured in a terrorist attack or, if they are killed, to their next of kin. It is very clear that the bill seeks to model itself upon the various states victim of crime legislation. Proposed section12(c) of the bill states:

In administering the framework, the Secretary is to ensure that:

(c) procedures and practices established under … this Act and for the operation of the framework … are broadly commensurate with the procedures and practices established under State and Territory victims of crime compensation schemes.

After all, that is a very important part of the point. Were this domestic terrorism about which we are speaking, then people would be broadly compensated by states and territories victim of crime legislation. The only difference, and the tragic difference, is that we are talking in this bill about Australians travelling overseas who are targeted by ruthless terrorists because they are Australians, because of who they are and where they live. Terrorists do not necessarily care who else they get as collateral on the way through and they do not specifically care whether they get you or me, but they know that they will get some of us. In that respect, Australians travelling overseas have
diminished control, if you like, as to whether they will suffer tragedy.

This bill seeks to be a modest and appropriate help in those cases. Senator Singh attempted to suggest, in referring to the introduction of a bill last year by former Attorney-General McClelland, that that bill was broadly consistent with this bill.

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! The time for the consideration of this matter has expired.

Debate adjourned.

PETITIONS

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

Baniyala

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

The petition of the undersigned shows:

We, the Indigenous people of Baniyala, have decided to build private houses on our Land to relieve our housing crisis. We have paid for Baniyala to be surveyed for housing blocks and will pay for and build the homes we want. Our homes will be assets we can leave to our children.

We have been negotiating with the Commonwealth Minister for Indigenous Affairs and the Northern Land Council to obtain secure title for our homes since February 2011.

In October 2011, Baniyala families submitted applications for 99 year leases for housing blocks to the Northern Land Council. It has informed us that it will not issue leases to our families on our land. The Minister for Indigenous Affairs, Jenny Macklin, has refused to assist us and has supported the Northern Land Council's decision.

The Northern Territory government has confirmed that without leases we cannot receive benefits including the national First Home Owner Grant, and the Northern Territory's $10,000 Build Bonus which expires on 30 June 2012.

We believe that home ownership on long term leases including benefits enjoyed by non-Indigenous Australians should not be denied to us because we live on Indigenous land.

Your petitioners request that the Senate:

Ask the Minister for Indigenous Affairs to ensure that the Northern Land Council promptly issues 99 year leases to Baniyala families to enable us to build our homes in the coming 2012 dry season.

by Senator Scullion (from 35 citizens).

NOTICES

Presentation

Senator Crossin To move—

That the Joint Select Committee on Gambling Reform be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 20 March 2012, from 4 pm, followed by an in camera hearing.

Senator Siewert To move—

That the time for the presentation of the report of the Community Affairs References Committee on health services and medical professionals in rural areas be extended to 27 June 2012.

Senator Fisher To move—

That the following matter be referred to the Education, Employment and Workplace Relations References Committee for inquiry and report by 10 May 2012:


Senator Siewert To move—

That the Senate—

(a) notes that:

(i) there are less than 12 500 Australian sea lions left in Australian waters and that the 2 000 left in Western Australian waters are extremely vulnerable,

(ii) one of the greatest threats to the survival of Australian sea lions is gillnets,

(iii) the Western Australian Department of Fisheries has failed to meet the Government's conditions to put an observer program in place on
boats within its gillnet fisheries to establish how many sea lions and dolphins are killed each year,

(iv) without observers, the number of Australian sea lions and dolphins dying in gillnets is likely to be grossly under reported, given that the example from the South Australian shark gillnet fishery demonstrated that few deaths were reported until observer-based studies identified up to 374 sea lions and 56 dolphins were dying every 18 months,

(v) the South Australian shark gillnet fishery now has compulsory video or observer coverage on every vessel, as well as new rules to protect Australian sea lions, and

(vi) the Western Australian Department of Fisheries is currently re-applying to the Department of Sustainability, Environment, Water, Population and Communities for export approval for Western Australia's Temperate Demersal Gillnet and Demersal Longline Fisheries;

(b) is concerned that, before any re-appproval of export licensing, the Western Australian Department of Fisheries should identify its impact on sea lions and safeguard vulnerable and protected marine life from the fishery's impacts; and

(c) calls on the Government to refuse the grant of the export licence for this fishery until an observer program is put in place and designated buffer zones are created around sea lion breeding colonies.

Senator Abetz To move—


Senator Fierravanti-Wells To move—

That the Senate—

(a) notes:

(i) on 20 May 2009, Mr Craig Thomson MP wrote to the then Minister for Employment Participation (Mr O'Connor) supporting Central Coast Group Training's (CCGT) proposal for the construction of a new Youth Skills and Employment Centre for the Central Coast, New South Wales,

(ii) an Australian Labor Party statement, dated 20 July 2010, by the Minister for Infrastructure and Transport (Mr Albanese) and Mr Thomson concerning funding for the centre,

(iii) on 5 April 2011, the Minister for School Education, Early Childhood and Youth (Mr Garrett) wrote to Mr Thomson stating that the Government was providing $2.7 million in funding towards the centre under the Community Infrastructure Grants Program,

(iv) on 16 June 2011, Wyong Council wrote to the Minister for Infrastructure and Transport, asking about confirmation or progress of the funding for the centre,

(v) on 8 July 2011, the Department of Education, Employment and Workplace Relations (DEEWR) wrote to CCGT regarding the centre,

(vi) an extract from one of the documents provided under freedom of information (FOI) states that, on 20 July 2011 'Mr Craig Thomson wrote to Minister Garrett raising concerns about interaction between…and DEEWR',

(vii) on 25 August 2011, Senator Fierravanti-Wells submitted a FOI request to DEEWR requesting inter alia copies of all representations and advice between Mr Thomson and ministers, their offices and departments on applications for funding a jobs incubator (the Youth Skills and Employment Centre) at Wyong proposed by CCGT, including secondary references to such representations or advice,

(viii) that while documents were provided in response to that request, they were almost all in a redacted form with large portions of the documents exempted, and

(ix) that the documents were not disclosed inter alia because they contained "unsubstantiated allegations of misconduct or unlawful, negligent or improper conduct"; and

(b) orders that there be laid on the table by the Leader of the Government in the Senate, no later than 5 pm on Monday, 19 March 2012, in an unredacted form:
(i) all documents pertaining to "unsubstantiated allegations" made by Mr Thomson to the Minister for School Education, Early Childhood and Youth and the former Minister for Employment Participation regarding CCGT, and

(ii) copies of all representations and advice between Mr Thomson and ministers, their offices and departments on applications for funding a jobs incubator (the Youth Skills and Employment Centre) at Wyong as proposed by CCGT, including secondary references to such representations or advice, including but not limited to the following:

(A) letter from Mr Thomson to the then Minister for Employment Participation dated 20 May 2009 re. CCGT, and

(B) letter from Mr Thomson to the Minister for School Education, Early Childhood and Youth dated 20 July 2011 re. CCGT and attachments thereto.

**Senator Stephens** To move—

That the Foreign Affairs, Defence and Trade Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 21 March 2012, from 5.30 pm, to take evidence for the committee's inquiry into the provisions of the Defence Trade Controls Bill 2011.

**Senator Hanson-Young** To move—

That there be laid on the table, no later than 22 March 2012, by the Minister representing the Minister for Immigration and Citizenship (Senator Lundy), the following documents:

(a) Serco Induction Training Course Student Manual 2011;

(b) Serco Induction Training Course Teaching Materials 2011;

(c) Serco Staff Refresher Training Manual 2011;

(d) Serco Induction Training Course Student Manual 2012;

(e) Serco Induction Training Course Teaching Materials 2012; and

(f) Serco Staff Refresher Training Manual 2012.
(Anne McEwen)
Chair
15 March 2012
Senator McEWEN: I move:
That the report be adopted.
Question agreed to.

BUSINESS
Consideration of Legislation
Senator JACINTA COLLINS
(Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (11:52): I move:
That the following general business orders of the day be considered on Thursday, 22 March 2012 under the temporary order relating to the consideration of private senators’ bills:
No. 85 Solar Hot Water Rebate Bill 2012
No. 84 Assisting Victims of Overseas Terrorism Bill 2012.
No. 51 Environment Protection and Biodiversity Conservation Amendment (Bioregional Plans) Bill 2011.
Question agreed to.

COMMITTEES
Community Affairs Legislation Committee
Reporting Date
Senator McEWEN (South Australia—Government Whip in the Senate) (11:53): by leave—At the request of the Chair of the Community Affairs Legislation Committee, Senator Moore, I move:
That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of the Personally Controlled Electronic Health Records Bill 2011 and a related bill be extended to 19 March 2012.
Question agreed to.

BUSINESS
Leave of Absence
Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (11:53): by leave—I move:
That leave of absence be granted to the following senators:
(a) Senator Boswell for today, on account of parliamentary business; and
(b) Senator Parry for 16 March 2012, on account of parliamentary business.
Question agreed to.

COMMITTEES
Rural and Regional Affairs and Transport Legislation Committee
Reporting Date
Senator McEWEN (South Australia—Government Whip in the Senate) (11:54): At the request of Senator Sterle, I move:
That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the 2011-12 additional estimates be extended to 22 March 2012.
Question agreed to.

Legal and Constitutional Affairs Legislation Committee
Meeting
Senator McEWEN (South Australia—Government Whip in the Senate) (11:54): At the request of Senator Crossin, I move:
That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Friday, 16 March 2012, from 9.30 am, to take evidence for the committee’s inquiries into the Crimes Amendment (Fairness for Minors) Bill 2011 and the Migration Amendment (Removal of Mandatory Minimum Penalties) Bill 2012.
Question agreed to.
Foreign Affairs, Defence and Trade Joint Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (11:54): At the request of Senator Furner, I move:

That the Joint Standing Committee on Foreign Affairs, Defence and Trade be authorised to hold a public meeting during the sitting of the Senate on Friday, 16 March 2012, from 9 am, to take evidence for the committee's inquiry into the review of Defence annual report 2010-11.

Question agreed to.

Australian Commission for Law Enforcement Integrity Committee

Meeting

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (11:55): At the request of Senator Macdonald, I move:

That the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity be authorised to hold a public meeting during the sitting of the Senate on Friday, 16 March 2012, from 1.30 pm, to take evidence for the committee's inquiry into the integrity of overseas Commonwealth law enforcement operations.

Question agreed to.

MOTIONS

Murray-Darling Basin

Senator XENOPHON (South Australia) (11:55): I, and also on behalf of Senators Birmingham and Hanson-Young, move:

That the Senate—

(a) notes that:

(i) since late 2010, the Renmark Paringa Council has made requests of the South Australian Government for assistance to reinforce levee banks along the River Murray and its tributaries and creeks in its council area, in order to minimise the risk of flooding to key infrastructure and assets, including environmental assets,

(ii) current levee banks in the Renmark Paringa Council area have not been substantially maintained since their construction in the late 1950s,

(iii) the cost of protecting the Renmark Paringa Council area from major flooding is in the vicinity of $2.8 million for capital works, which is some 50 per cent of the council's annual revenue, and

(iv) there is some $36.6 million in South Australian Government and Australian Government infrastructure assets in the Renmark Paringa Council area that would be at risk in a major flood event; and

(b) calls on the South Australian Government to urgently address the need to undertake the capital works necessary to minimise the risk of flood damage in the Renmark Paringa Council area.

Question agreed to.

Privileges Committee

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11:56): I move:

That the Senate requests that, in the absence of a final report, the Committee of Privileges should provide a progress report, not later than Monday, 19 March 2012, on the matter referred to it by the Senate on 24 November 2011.

Question negatived.

University Fees

Senator RHIANNON (New South Wales) (11:57): I move:

That the Senate—

(a) notes that:

(i) both universities and students recognise the contribution that student organisations, associations, unions and democratically elected student representatives make to the vibrancy of university culture, student life and the value of gaining a university degree for students,

(ii) under legislation passed in 2011 to restore student services on campuses via a student services and amenities fee, universities must
consult with student organisations, associations, unions and democratically elected student representatives, and can develop funding agreements to pass on the fees they collect from students,

(iii) while some universities have both consulted and struck good funding agreements with these student organisations to pass on student services fees, other universities have still not made any commitment to pass on the student services fees they have collected to their student organisations,

(iv) many student organisations, associations, unions and democratically elected student representatives, which have been starved of money since the Howard Government era of voluntary student unionism, are struggling to re-establish essential student services such as subsidised day care, legal services, emergency loans and bank books, and

(v) the failure of some universities to make funding arrangements with these student organisations is causing uncertainty about the level and quality of services that can be provided to students in 2012; and

(b) calls on the Government to encourage all universities to consult with and develop funding agreements with student organisations, associations, unions and democratically elected student representatives to pass on a proportion of the student services and amenities fees collected.

The PRESIDENT: The question is that the motion moved by Senator Rhiannon be agreed to.

[The Senate divided. [12:01]

(The President—Senator Hogg)

Ayes......................11
Noes......................35
Majority..............24

AYES

Back, CJ
Birmingham, SJ
Cameron, DN
Collins, JMA
Edwards, S
Fawcett, DJ
Fifield, MP
Furner, ML
Hogg, JJ
Joyce, B
Ludwig, JW
Marshall, GM
McKenzie, B
Moore, CM
Parry, S
Polley, H
Sherry, NJ
Thistlethwaite, M

NOES

Bilyk, CL
Boyce, SK
Colbeck, R
Crossin, P
Farrell, D
Feeney, D
Fisher, M
Gallacher, AM
Johnston, D
Kroger, H (teller)
Lundy, KA
McEwen, A
McLucas, J
Nash, F
Payne, MA
Pratt, LC
Stephens, U

Question negatived.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Reference

Senator WATERS (Queensland) (12:04): I move:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 22 August 2012:

(a) the economic, social and environmental impacts of Australia’s domestic and export coal seam gas (CSG)/liquid natural gas (LNG) industry on:

(i) surface and groundwater and future water licensing arrangements,

(ii) agricultural land and food production,

(iii) the coast and marine environments, including impacts on the Great Barrier Reef World Heritage Area and industries relying on these environments, including impacts from pipelines, ports, dredging and shipping,

(iv) the property rights and values of landholders,
(v) rural, regional and urban communities, and the effective management of relationships between mining and other interests, and

(vi) other related matters, including health impacts;

(b) the greenhouse gas emission intensity of Australia’s domestic and export CSG/LNG industries across their lifecycle, and the adequacy of accounting, monitoring and compliance of greenhouse impacts;

(c) the potential impacts of other unconventional gas industries developing rapidly across Australia, including shale and tight gas;

(d) the adequacy of existing and proposed state, territory and Commonwealth regulatory regimes to manage the above issues, including cumulative impacts and the appropriateness of ‘adaptive management’ in regulating the industry; and

(e) any other related matter.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (12:04): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for two minutes.

Senator JOYCE: Thank you, Mr President. There has already been an inquiry from the Standing Committee on Rural and Regional Affairs and Transport, which has been reported. Recommendations from that inquiry on coal seam gas were hard fought for. By reasons that those recommendations were hard fought for and that the government reply to that inquiry has not yet occurred, to have another inquiry would diminish from the effort that we put in to get the recommendations that we sought. In those recommendations it was quite clear that we do not want coal seam gas on prime agricultural land, that aquifers must not be destroyed and must be protected and that the quiet enjoyment of residential areas must be respected. Additional comments were made by the National Party about getting a proper pecuniary return back to the landholder on whose place the coal seam gas is extracted.

What we see happening at this juncture is not so much an inquiry to assist with the process that is currently at foot but more of a political statement to create a wedge. The National Party will not be supporting this motion.

Senator WATERS (Queensland) (12:05): Mr President, I seek leave to make a short statement.

The PRESIDENT: Leave is granted for two minutes.

Senator WATERS: Thank you, Mr President. I would like to point out for the benefit of Senator Joyce and others in the chamber the differences between this proposed inquiry and the earlier inquiry; they are chalk and cheese. The first inquiry focused only on the Murray-Darling Basin; this inquiry is nationwide. It would look at all the impacts of coal seam gas, including shale gas in WA. It would also, importantly, look at the coastal impacts of coal seam gas export. We have seen the massive destruction in Gladstone Harbour and we have already had UNESCO, the world heritage body, here concerned about Gladstone and our reef. As well, we have seen 91 per cent of Australians not wanting the reef to be turned into a rubbish dump. There is clear community concern and clear need for the Senate to have better information about these issues.

This inquiry would also look in much closer detail at the climate impact of this industry, which is of course a fossil fuel, and therefore highly polluting. We would look at things like fugitive emissions and the overall life cycle greenhouse gas impacts of coal seam gas. This is new information that the Senate needs to inform itself with in order to tackle this massive fast-growing, hungry, dirty industry.
I find it incredibly disappointing that Senator Joyce is opposing looking at the impacts of coal seam gas. One wonders at the influences on Senator Joyce. I think it is a great shame when no-one in this parliament, except the Greens, is going to vote to examine the impacts of coal seam gas, which is an issue that the community is incredibly concerned about and will be very disappointed to learn about. I note that the Independents, of course, will sit with us, and I thank them for their support. The Australian public will not forget this and they certainly will not forget where Senator Joyce is when this vote comes.

The PRESIDENT: The question is that the motion moved by Senator Waters be agreed to.

The Senate divided. [12:08]

(The President—Senator Hogg)

Ayes......................11
Noes......................35
Majority................24

AYES
Brown, RJ
Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Waters, LJ
Xenophon, N

NOES
Back, CJ
Bernardi, C
Bilyk, CL
Birmingham, SJ
Boyce, SK
Cameron, DN
Colbeck, R
Collins, JMA
Crossin, P
Edwards, S
Farrell, D
Fawcett, DJ
Feeney, D
Fifield, MP
Fisher, M
Forner, ML
Gallagher, AM
Hogg, JJ
Joyce, B
Kroger, H (teller)
Ludwig, JW
Lundy, KA
Marshall, GM
McEwen, A
McKenzie, B
McLucas, J
Moore, CM
Nash, F
Parry, S
Payne, MA

NOES
Polley, H
Pratt, LC
Sherry, NJ
Stephens, U
Thistlethwaite, M

Question negatived.

MOTIONS

Coal

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (12:11): I move:

That the Senate—

(a) notes that:

(i) China's twelfth 5 year plan is expected to introduce caps on coal use from 2015,
(ii) the price of coking coal has already dropped some 40 per cent in the past year, due in large part to a drop in China's demand for imported coal,
(iii) China expects utility scale solar power to out-compete new coal-fired power stations by the end of the decade, while the Indian Government expects the cost crossover as soon as 2016,
(iv) India's economic giant, Tata Power, has publicly stated that its new investments will favour renewable energy, as coal power is becoming 'impossible' to develop,
(v) the Australian Bureau of Resource and Energy Economics (BREE) continues to predict that coal exports will double over the next two decades, and
(vi) Australia is leaving itself economically exposed by focusing on the development of coal export infrastructure; and

(b) calls on the Government to:

(i) require BREE to review its modelling based on the current geopolitics of coal, and
(ii) rethink Australia's economic settings, which assume ongoing increases in the coal export market, and instead look to broaden Australia's economic base and build a more competitive clean energy economy.
Thursday, 15 March 2012

The PRESIDENT: The question is that the motion moved by Senator Milne be agreed to.

The Senate divided. [12:12]

(The President—Senator Hogg)

Ayes....................10
Noes.....................35
Majority................25

AYES

Brown, RJ
Hanson-Young, SC
Milne, C
Siewert, R (teller)
Wright, PL

NOES

Back, CJ
Bilyk, CL
Boyce, SK
Colbeck, R
Crossin, P
Farrell, D
Feeney, D
Fisher, M
Gallacher, AM
Kroger, H
Landy, KA
Marshall, GM
McKenzie, B
Nash, F
Payne, MA
Pratt, LC
Stephens, U
Williams, JR

Question negatived.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (12:14): I seek leave to recommit the vote taken yesterday on general business notice of motion No. 692, relating to nuclear submarines, due to a miscommunication that does not reflect the will of the Senate.

Leave granted.

The PRESIDENT: The question before the chamber now is that general business notice of motion No. 692, standing in the name of Senator Bob Brown, be agreed to.

Question agreed to.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12:15): I would like it recorded that there was not a no in that vote.

The PRESIDENT: Senator Bob Brown, if it is your wish to have that reflected in the Hansard, that will happen.

BUSINESS

Leave of Absence

Senator McEWEN (South Australia—Government Whip in the Senate) (12:15): by leave—I move:

That leave of absence be granted to the following senators:

(a) Senators Evans, Farrell and Feeney for 16 March 2012, on account of parliamentary business; and

(b) Senators Carol Brown, Sherry, Sterle and Urquhart for 16 March 2012, for personal reasons.

Question agreed to.

BILLS

Higher Education Support Amendment Bill (No. 1) 2012

First Reading

Bill received from the House of Representatives.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (12:16): I move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (12:17): I table a statement of reasons justifying the need for this bill to be considered during these sittings and move:

That this bill be now read a second time.

I seek leave to have the second reading speech and statement of reasons incorporated in Hansard.

Leave granted.

The speech and statement read as follows—

The Higher Education Support Amendment Bill (No. 1) 2012 clarifies the application and operation of indexation arrangements in the Higher Education Support Act 2003. It updates the definitions for 'course of study in dentistry' and 'course of study in veterinary science' and updates the Melbourne College of Divinity's name in light of its approval to operate under the title MCD University of Divinity.

The Bill also allows for technical amendments to the calculation of the voluntary repayment bonus to resolve rounding issues.

There is ambiguity in the Act about the application of the indexation provisions to amounts in the Act on 1 January 2011. The Government is making it clear that indexation should have been applied to amounts in the Act on 1 January 2011, and that the amounts that are indexed on 1 January 2012 are the 2011 indexed amounts.

The terms 'Course of Study in Dentistry' and 'Course of study in Veterinary Science' are used to determine which students are eligible for the higher FEE-HELP limit of $112,132 in 2012.

The Bill would amend the definitions for 'course of study in dentistry' and 'course of study in veterinary science' to clarify that only students undertaking courses of study in dentistry or veterinary science that satisfy the minimum academic requirements for registration as a dentist, veterinary surgeon or veterinary practitioner are eligible for the higher FEE HELP limit.

The Melbourne College of Divinity has been approved by the Victorian Registration and Qualifications Authority to operate under the name MCD University of Divinity until 31 December 2016.

Students can make a voluntary repayment towards their HELP debt to the Tax Office at any time. Voluntary repayments of $500 or more currently attract a 5 per cent bonus on the payment amount.

When calculating the effect of a person making a voluntary repayment of his or her HELP debt, the Act provides for a person to obtain a 5 per cent bonus and includes rounding rules in calculating whether a person has repaid their debt and the amount of debt repaid if it is only a partial repayment.

Currently, the effect of the rounding rules is that:

(a) When making a full repayment, the person benefits from the rounding because the amount of payment required to pay off their debt in full is reduced because the cents are rounded down; and

(b) When making a partial repayment, the person is disadvantaged because the value of the reduction to the outstanding debt due to a payment is rounded down.

The Bill amends the Act to provide that when calculating the effect of a person making a partial repayment towards his or her HELP debt, the amount would be rounded up to nearest dollar. The cents would continue to be rounded down to determine the amount required for the full repayment of a person's HELP debt amount. Effectively, the rounding rules will now always benefit a person making a voluntary repayment.

The Bill reflects the Government's continued commitment to improving Australia's higher education sector and expanding opportunities for
Australians to obtain a high quality higher education.

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2012 AUTUMN SITTINGS

HIGHER EDUCATION SUPPORT AMENDMENT BILL (NO. 1)

Purpose of the Bill
The bill will make policy changes as a result of the implementation of the demand driven funding system. It will update the definitions for 'Course of Study in Dentistry' and 'Course of Study in Veterinary Science'.

The bill will also update the Melbourne College of Divinity's (MCD) name in light of their approval to operate as a specialised university with the title MCD University of Divinity. The bill makes technical amendments to the calculation of voluntary repayment bonus to resolve rounding issues.

The bill will also make amendments to the Higher Education Support Act 2003 to clarify the application of indexation provisions.

Reasons for Urgency
To urgently clarify the indexation provisions of the Act.

Debate adjourned.

COMMITTEES
Legislation Committees
Report
Senator McEWEN (South Australia—Government Whip in the Senate) (12:18): Pursuant to order and at the request of the chairs of the respective committees, I present reports on the examination of annual reports tabled by 31 October 2011.

Ordered that the reports be printed.

BILLS
Fairer Private Health Insurance Incentives Bill 2012
Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2012

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

Senator BACK (Western Australia) (12:18): We now have the third of the three Gs: we have had the GST under the Howard government, we have had the GFC and of course now we have the GBP, the government of broken promises. You will recall, Madam Acting Deputy President, that this is the government that came in on the promise of honesty, transparency and, as Senator Collins knows, accountability. Do you remember Prime Minister Gillard saying, 'Let the sun shine in'? Well, it is the fact that it has been a very short summer here on the east coast and a very short summer of honesty, transparency and accountability. This is the government about whom the former Prime Minister, then Minister for Foreign Affairs and now backbencher, Kevin Rudd, said recently:

… Julia has lost the trust of the Australian people and … if we don't change, the Labor Party is going to end up in Opposition.

This is also the government about whom the former Attorney-General Robert McClelland only recently said:

I don't think we have captured the attention or the support of the broader Australian community, and obviously if we want to win an election, they have to listen to us, they have to trust us, they have to have empathy with us …

This is not my side of the chamber saying this; this is the government side. Only last week I was at the Wagin Woolorama in the Great Southern region of WA. I overheard a mother scolding her daughter for telling porkies, and the little girl looked up and said, 'Why can't I? The Prime Minister can and the
Prime Minister does.' She looked at me and I had no answer, of course.

But what day is it today? Is it carbon tax day? Of course, no; that was last week. But I will remind you of the words of this Prime Minister: 'There will be no carbon tax under the government I lead.' Her Treasurer and Deputy Prime Minister said at the same time—amazingly enough, just before an election in 2010:

Well, certainly what we rejected is this hysterical allegation somehow that we are moving towards a carbon tax from the Liberals and their advertising. We certainly reject that.

So it is not carbon tax day. Is it audit compliance day? No, that was Wednesday. That was the day, if you remember, when we had the Australian National Audit Office undertaking an audit of none other than Ms Gillard as Minister for Education and reporting to the parliament that on more than three occasions Ms Gillard approved grants to schools in defiance of the recommendations of her department and also failed to undertake the requirement of the then Prime Minister to report her decision to the then Minister for Finance and Deregulation. What a great group of four it must have been. How wonderful to have sat around the table and listened to them agreeing with each other. But it does not stop with the Prime Minister, as is often the case, because most organisations learn from the top. News filters downhill more quickly than it does uphill. In that same audit report from the ANAO we learnt that there were no less than 33 cases where ministers failed to alert the finance minister to the fact that they had made grants in their own electorates—11 of those 33 instances against the advice of their own department.

But it is not carbon tax day; it is not audit compliance day; it is Thursday—it must be private health insurance broken promise day.

Let me go back to then shadow minister Ms Julia Gillard writing in the Courier Mail:

YOUR correspondent Russell McGregor … should have no concern that Labor will "erode" or abolish the 30 per cent government rebate for private health insurance. Labor is committed—said Ms Gillard—to the maintenance of this rebate and I have given an ironclad guarantee of that on a number of occasions.

Is it any wonder that the little girl in Wagin, reflecting the rest of Australia, has lost all patience with this government and its credibility? Again, Ms Gillard, complaining in a newspaper, the Weekend Australian, in October 2005:

The truth is—she wrote—that I never had a secret plan to scrap the private health insurance rebate, and contrary … do not support such a claim.

We go from Ms Gillard to then shadow health minister Roxon—again, prior to an election—in 2007. This is what she said at the annual conference of the Australian Health Insurance Association: 'This is why we have committed to the current system of private health insurance incentives,' she said, 'including the package of rebates, the lifetime health cover, the surcharge. Labor understands that people with private health insurance, now around nine million Australians, have factored the rebate into their budgets, and we will not support taking it away.' She went further in September: 'We have committed to it. We have committed to the 30 per cent.' The journalist must have had some understanding of the future because she was asked again, 'So you will not wind back the 30 per cent private health rebate, despite the fact,' the journalist asked, 'that Labor has been ideologically opposed to it in the past?' And guess what her answer was? 'No we won't.' She went on to say: 'For many
occasions for many months we have made it crystal clear we are committed to retaining all of the private existing health insurance rebates.' She went on to say: 'The Liberals continue to scare people'—doesn't this remind you of Mr Wayne Swan's comments about the carbon tax?—'into thinking that Labor will take away the rebates.' This, according to Ms Roxon, is absolutely untrue.

We then go to the leader of the then opposition, Mr Rudd, speaking to the same organisation, the Health Insurance Association, prior to the 2007 election. This is what he said: 'Both my shadow minister for health, Nicola Roxon, and I have made clear on many occasions this year, that federal Labor is committed to retaining the existing private health insurance rebates.' And in February 2008, after becoming Prime Minister, he said:

The Private Health Insurance Rebate policy remains unchanged and—by way of emphasis—will remain unchanged.

How much longer do we have to listen to these statements which we now know to have never been the intention of the government?

Just yesterday, we had the gross misfortune of listening to a tirade by Labor Senator Cameron, trying to vilify the then coalition government in terms of its expenditure and its commitment to health. Let me place these figures on record. It is an area, of course, in which you, Madam Acting Deputy President Moore, have a particular and keen interest. Health and aged care spending: 1995-96, $19½ billion dollars spent by the Commonwealth government, increasing to $52 billion by 2007-08. Public hospital spending: 1995-96, $5.2 billion; 2007-08, more than double, to $12 billion. Funding to the states to support their health initiatives: 1993 to 1998, $23 billion; 1998 to 2003, a leap to $31 billion, and, in 2003 to 2008, $42 billion. And we continue to hear stupidity and nonsense from intelligent and otherwise honourable senators of the other side talking about the apparent billion dollars of Mr Tony Abbott when he was health minister. There never was $1 billion taken out of the health budget. It simply was a forward estimate in the forward papers of that era. There never was a $1 billion black hole by Mr Abbott.

_Senator Jacinta Collins interjecting—_

_Senator BACK: There never was, Senator Collins._

_Senator Jacinta Collins: Well, he was planning—_

_Senator BACK: Let us go forward. Do not speak about—through you, Madam Acting Deputy President—what people might have been planning to do; listen to the quotes I gave in the last few minutes from Ms Gillard, Ms Roxon and Mr Rudd. What were they planning to do? Heavens above!

We then learn that, under this government, in June 2010, the highly respected Professor John Mendoza resigned as chairman of the National Advisory Council on Mental Health. Why? Because of the lack of action of this government in the area of mental health. So it begs the question: why has Labor changed this policy?

There are several reasons. One is on the corner to my left: because it is driven by the Greens political party who want to see the destruction of private health. Another is: because of the massive budget blowouts of this government, because of the incredibly high levels of debt, because they know they are facing another deficit this year, as they will be next year. Let me just remind you: the last time Labor was in government in the Hawke-Keating era the coalition was left to repay a debt of $96 billion a year, then costing some $6 billion—thousand million—
a year in interest alone. We know now that that figure is $230 billion, racing towards $250 billion. And this government continues to borrow $100 million a day, every day of the week—not the working week, the entire week. So if you want to start to try to ramp back, who do you attack? You attack hardworking, middle-class Australians.

But this is bad policy. Why is it bad policy? Let me give you the analogy of a pool—a pool of money—into which the government puts 30c of each dollar, that being the private health rebate. But on the other side of the coin, the person taking out that insurance puts in the other 70c. How smart is it to remove that 30c, or a proportion of it, only to have the private health insurer taking out either their 70c or a significant proportion of it by reducing their level of cover? Where is the validity of such a decision? We all know what happens to the pool of money—the pool dries up—and we know that it drives people back to an already overstretched public health system.

These are the facts. The private hospital system in this country currently treats 40 per cent of all patients, being more than three million a year, and, more importantly, performs over 60 per cent of surgeries. Six out of every 10 surgeries in this country are performed in the private hospital system. The Productivity Commission found that the private hospital network treats patients more cheaply and at least as safely as public hospitals, if not more safely. In 2007-08 the government spent $31 billion on the public health system and, in contrast, only $1.7 billion on private hospitals through the private health levies.

We are all acutely aware that we have a rapidly ageing population in this country. Why would we place at risk the medical and hospital care of an ageing population by removing the 30 per cent rebate? The very group that we will be driving out of private health are the young people of this community—the ones who draw least on the health system, be it private or public.

Let me give you some examples. We have heard from the current Minister for Health, Ms Plibersek, who has decided to demonise high-income earners and even middle-income earners who, she says, should not receive subsidies from the lower income areas of this community to support their private health insurance. The minister should be reminded that, as she well knows, there is already a 1.5 per cent Medicare levy on taxable income to support the public health system. Furthermore, if high-income earners fail to have public health cover they can add a one per cent Medicare levy surcharge to their payments to the community. There is the subsidy from higher income earners. Quick calculations: somebody earning $80,000 a year together with superannuation and fringe benefits who does not take out private health cover will be paying $2,000 per annum towards supporting Medicare. There is the support from higher income earners. Even if that person takes out private health, at 1½ per cent on their $80,000, they will be paying $1,200 in Medicare levy a year. As I was reminded recently, that taxable income includes overtime and zone allowances. What we are really doing is saying, 'The harder you work, the more overtime you work and the more you earn, the more you will be imposed with a levy.' This, apparently, is what this government wants to move towards.

Why is it so dangerous? Why is it such bad policy? As we know, older people in the community have the greatest demand and the greatest draw on the health system, and that is getting even greater. My understanding is that these figures are accurate: people under the age of 19 years would exercise about 15 per cent of the national health budget; from
20 up to 65 it is about a quarter, about 23 per cent; and from 65 onwards, 60 per cent of the nation's health budget is spent on that age demographic. The more we keep young people in private health, where they are not drawing on the need for health and hospital cover, the better it will be for older members of the community. The Labor government might say, 'Yes, but of course the reduction of the rebate is limited and therefore lower income people will be less disadvantaged.' The simple fact of the matter is that, as the pool of private health funding reduces, the inevitable outcome must be that premiums will go up and people will start to take a reduced level of cover, if they take out cover at all. These are the sorts of areas that we need to be addressing and that this legislation will strike right at the heart of.

We hear from Minister Plibersek that this is only a tax on wealthier people. It is an interesting statistic in Australia that one million-plus households earning less than $26,000 per annum take out private health cover. Private health is not something for wealthier Australians—it is across the board. It is something that young families, middle-aged families and families with younger children and teenagers engage in, and it is an area that older Australians value very deeply. Why does this government want to attack the very surcharge levy that it said it would never touch?

I come to the reaction from people in my own community of Western Australia regarding the feedback from the Hospital Benefit Fund, which is a not-for-profit fund. This is not a fund that is trying to extract vast sums of money from its members, it is one that pours its funds straight back into members' conditions. Already, HBF estimates that 25 per cent of its members will see a big hike in their premiums, and this will increase to 43 per cent. That is an increase in premiums for those who will be hardest hit. We know already that the funds are battling to keep their premium increases to a minimum. The Minister for Health, Ms Plibersek, has only recently approved an average increase of 5.06 per cent. Many members are already anxious about the implications of the removal of the rebate of up to 30 per cent.

Another point made to me by this organisation is the sheer complexity of the processes as they are now being presented to the parliament. The legislation, which applies a means test to the rebate and further complicates the Medicare levy surcharge, will only serve to compound this complexity. It will only serve to discourage those who are already planning to come into private health. It may also accelerate the move of those who now believe they cannot afford it or they must reduce their premium levels. These are great concerns.

We have a wonderful health system in this country. We have a combination of public and private health care. There are all sorts of models. Models that would be best in this country have been put to me. These models suggest we move everybody into private health cover and then provide premium relief or payments for those unable to afford those premiums. We must continue to have competition to drive prices down, to keep quality up and, above all, we must do what we can to preserve and protect both the private health and the public health systems. This legislation is simply a grab for money. It is not about health policy. It should not be supported.

Senator EDWARDS (South Australia) (12:38): I rise to speak on the Fairer Private Health Insurance Incentives Bill 2012 and related legislation. These bills will see the private health insurance rebate means tested and the Medicare levy surcharge increased for those who choose not to have private
health insurance. The private health insurance rebate, a coalition initiative, saw private health insurance membership climb during the Howard years from 30 per cent in the 1990s to 47 per cent in 2008. On most recent industry figures, some 52.9 per cent of the Australian population have some form of private health insurance. The Howard government provided the incentive and increased the choice for individuals and families to take out private health insurance. I support a mixed public and private healthcare system where Australians have the choice to take out private health insurance. I also support the rebate for increasing the choices available to all of us.

Australia has one of the best healthcare systems in the world. We should strive for improvement and for it to cost less. Our healthcare system is a delicately balanced mixture of public and private. In my home state of South Australia, with a population of just over 1.6 million people, there are some 1,008,334 holders of private health insurance, according to private health industry figures. However, the cost of providing health care continues to rise. Figures from the Australian Institute of Health and Welfare reveal that in the 10 years to 2009-10 health spending grew in real terms by an average of 5.3 per cent, compared with an average real growth in GDP of 3.1 per cent a year. Spending on health in Australia costs the Commonwealth, state and territory governments over $120 billion a year. Therefore, it makes sense to encourage wherever possible individual investment in our healthcare system through individuals' choices to co-invest in their own private health insurance. It simply makes no sense to remove the incentives for individuals and families to invest in their health provision.

Currently we have over 11 million private health insurance members who are contributing extra financial resources to the health sector, so that all Australians can benefit from a stronger health system. Both public and private must continue to co-invest. But rather than rewarding these members this legislation seeks to disincentivise this private investment in our healthcare system which could have some quite significant impacts over the next five years. Labor is pulling the rug from money that could be co-invested in our healthcare system.

We draw on research by Deloitte, which Senator Williams so succinctly drew on in this debate, that shows that up to 1.6 million Australians will drop their private hospital cover over five years, and up to 4.3 million will downgrade their hospital cover. A recent iSelect survey found 49 per cent of people would review their cover as a result of the rebate changes. Further, the Deloitte report found that by 2016 private health insurance premiums are expected to be 10 per cent higher than they otherwise would have been. The research also shows that between 2012 and 2016 an extra 845,000 Australians would be admitted to public hospitals as a consequence of these bills before us today. Deloitte estimates that the average waiting time in public hospitals would increase from 65 days to a staggering 259 days if no additional public capital investments were made in the next five years.

The impacts of this legislation are widespread. As one example, the Australian Physiotherapy Association claims that ancillary treatment cover, also known as general treatment or extras cover, pays rebates for visits to physiotherapists and other general providers such as dentists and podiatrists. A reduction in the number of Australians holding ancillary cover will reduce access to physiotherapy and other ancillary services which are, for the most part, not covered under the Medicare
Benefits Scheme. According to the Physiotherapy Association, even if a small proportion of the current private health insurance members were to drop their ancillary cover, this could have a dramatic impact on the thousands of private physiotherapy practices around Australia, and that would be magnified in the regional and country areas.

In rural Australia we are already facing a number of serious problems in the health sector and country folk do not need the additional burden of having their private insurance health rebate ripped off them. Just as those living in the cities are facing cost-of-living pressures so are those in the bush, and the means testing of the rebate represents another increased cost to rural families. For example, there is already a chronic shortage of doctors. A rural doctors workforce agency report showed that 53 doctors needed to be recruited to fill vacancies in rural South Australia alone to meet the growing demand. With all this mining going on in regions, and we are all very proud of it and all very keen for it, we actually have to service it as well. Service means doctors, and we do not need doctors' incomes being undermined by the pulling of this rebate.

Add to this the growing trend of an ageing workforce. One hundred and five out of the 423 rural GPs are over 55 years old and expected to retire within the next 10 years. In my own home town of Clare there has been a position for an obstetrics trained GP vacant for the past four years. Some people are waiting more than five weeks to see their GPs! What these people do not need is to have more money removed from their pockets when they already have average access to health services. The government's co-investment in health is and should remain paramount. Governments cannot 'rat' the budget to achieve fickle surpluses over on the economic side of their problematic government.

While only a third of all hospital beds are private, 40 per cent of hospital admissions and 64 per cent of elective surgery admissions are private. Out of the hospital network, 86 per cent of all dental services are delivered in the private sector. Clearly, the private sector has an important role to play in delivering health services to Australians under our public-private health care system. In 2010 the Productivity Commission acknowledged that private hospitals were on average more efficient than public hospitals. It also found that smaller public hospitals, many of which are located in more remote communities, were found to be less efficient than similar-sized private hospitals. Therefore, any policy change that reduces funding to the private sector, which means-testing the private health insurance rebate will do, will mean underfunding the most efficient hospitals in our country.

Even the South Australian state Labor government acknowledged the role of the private sector in supporting the entire health system. Way back in 2004 a background paper, 'Challenges for health services in rural, regional and remote South Australia: achieving better health outcomes' said:

Private in-patients in public hospitals significantly contribute to the revenue of public hospitals, as private health insurers pay costs to the public hospital just as it would to a private hospital—

It is not complicated. This basic analysis does not change over the years! That whole proposition still remains in play in 2012.

While Labor preach that this is about a fairer health system and use divisive rhetoric that private health insurance is for rich people only, some 5.6 million of the 12 million private health insurance holders have a household income of less than $50,000 per
year. Clearly, private health insurance is seen as an essential part of a household's expenditure and highly valued by a significant number of Australians. While all of these households will not have the rebate removed, they will feel the impact of the changes ripple through as a result of those people who have been slapped with a rise in their health cover drop their private health insurance and premiums begin to rise. It just makes sense. Insurance is always about the money pool. If you have more people contributing, the less they have to contribute. You take people out of the pool, then the cost of cover will always increase for the remaining participants. All this on top of the extra cost of living with the introduction of a ridiculous carbon tax!

The Labor Party and Greens continue to peddle the concept that cleaners should not subsidise millionaires' private health insurance. In reality, however, low-income earners pay no tax, or very little tax, and are not subsidising high-income earners' private health insurance. The top quarter of income earners pay two-thirds of the total tax. It is just another shadowy attempt to vilify those who see in Australia the hope, reward and opportunity the coalition sees.

Now we see private health fees set to rise by another 5.06 per cent, which equates to an additional $150 a year extra for families. This means that some families will be slapped with a double-hit—higher premiums for private health insurance and less or zero government assistance via the rebate. And of course, health costs are also expected to rise because of the impact of higher energy costs associated with the carbon tax. The Treasury modelling claims health services will only rise by 0.3 per cent, but it seems inevitable that costs for patients will rise as energy, catering, key medical supplies and other input costs increase. Not only will there be pressure on the public hospital sector, but private hospital providers will also face a likely 16 per cent hike in their energy bills, all of which is likely to be passed on to consumers and patients. Where else can the pain be transferred?

Labor talk about their fairer health care, but their poor policy choices will only result in more expensive health care for all Australians and, unfortunately, it will be those on lower incomes, working Australians whom Labor claim to represent, who will be the hardest hit.

In my home state, the state where I live, where has the Labor member for Wakefield been on this issue? As a man who knows what it is like to be a working person—being a former salesman, cleaner and a trolley collector—he should understand.

Senator Boyce: What—not a union rep?

Senator EDWARDS: He did finish up there, but this is his earlier life. However, he has supported the Gillard government's continued assault on health care through means testing the rebate and the carbon tax. We have not heard a single utterance on private health insurance from the local member who is responsible for a seat where there are doctor shortages right throughout his rural communities. The Lyell McEwin Hospital, a very important hospital in Elizabeth Vale at the southern end of Wakefield, and the other hospitals in the electorate in Balaclava, Clare, Kapunda and Gawler are all facing substantial increases in electricity, catering and medical supply costs. The member for Wakefield, Mr Champion, certainly has not been a champion on health care for the 155,000 working men, women and children of Wakefield. The member of the House of Representatives who does not live up to his surname recently demonstrated how broken promises are the hallmark of the Labor government. The member for Wakefield last
month was only too happy to stand on the same platform as his Prime Minister and welcome Ms Gillard to his electorate, nodding at every word she said when the television cameras were operating, yet within 48 hours this same individual abandoned the Prime Minister to support Kevin Rudd's leadership bid.

Senator Bernardi: I was appalled.

Senator EDWARDS: That was quite shocking, Senator Bernardi. He witnessed all this going on in his home state.

Senator Bernardi: I was appalled.

Senator EDWARDS: Appalled. A man whom he wanted to support, Kevin Rudd—

Senator McLucas: Mr Rudd.

Senator EDWARDS: Mr Rudd—in his effort for leadership bid was described by some of his parliamentary colleagues as a 'psychopath'. So much for what passes for judgment within the parliamentary Labor Party. This is the same mob that tried to foist Mark Latham onto the people of Australia, then Kevin Rudd, and now they want Australians to believe—

Senator McLucas: Mr Rudd.

Senator EDWARDS: Mr Kevin Rudd—and now they want Australians to believe that they can improve the private health system with a means test on the rebate. They might also try to get pigs to fly. Sadly, as is so often the case with Labor, this legislation represents yet another broken promise. Labor failed to have similar legislation passed in the Senate in May 2009 and again tried and failed in November of the same year. This was despite a commitment to not change the private health insurance rebate.

Let us face it: these bills are more about the ideological obsessions of the Labor Party. Because of their socialist DNA, they have a hatred of private enterprise. What pushes their collective button is the redistribution of wealth, taking it away from those families who work hard and smart to get ahead so that Labor can reward its camp followers, those who expect everybody else to pay for them. The ALP's contempt and disdain for private health funds is obvious. Class warfare is alive and well and, whenever Labor gets the chance to target the private sector, it does so. It is a big target for the Labor Party.

The ALP in 2012 has two themes: tax and spend. The thrust of its revenue gathering is to make those who largely do not vote for Labor pay more, yet in its smug arrogance that it knows better than others it does not seem to have dawned on the Gillard-Greens alliance that any exodus from the private funds because of the higher fees will lead to the overwhelming of the public hospital system.

I do not support these three bills because they will ultimately lead to an erosion of our healthcare system for everyone—increased health insurance premiums, increased demand on our already strained public system, reduced accessibility to ancillary services, increased cost-of-living pressure on individuals and families, and decreased choice for all Australians. These bills are not about better health outcomes. This is a cash clawback to fund Labor's growing and increasingly fanciful budget surplus and to cover up for their financial mischief in other areas. I will not be supporting these bills. I urge all members of the Senate not to support these bills in the interests of keeping health care in this country growing and improving for all Australians.

Senator BOYCE (Queensland) (12:58): It is interesting that the government seems to think that putting 'fair' in front of a bill title somehow makes it so. We have the Fair Work Act, which in the coalition was referred to as the so-called Fair Work Act.
because it is only fair in the term of this
government.

**Senator Carol Brown:** Work Choices, no choices.

**Senator McLucas:** Work Choices, no choices.

**Senator BOYCE:** There was such a
cacophony of comment there. That was a
unity ticket, was it, Madam Acting Deputy
President?

**The ACTING DEPUTY PRESIDENT (Senator Moore):** Order! I remind senators
on my right that shouting across the chamber
is not parliamentary.

**Senator BOYCE:** Nevertheless, no
matter how much protesting goes on from
the other side, putting 'fair' in front of the
title of a bill does not make the bill fair. It
has been interesting to watch the
development of these so-called 'fairer private
health insurance incentives' bills over the
three attempts to have them passed, the third
of which is now being made by this
government. It has ratcheted up from being
allegedly good policy in the first place,
through a number of iterations, to now,
where the situation is the government using
the politics of envy as the only reason why
this legislation would be a good thing. Of
course, they cannot talk about the real reason
they need this legislation: they are desperate
for cash, having wasted and mismanaged a
surplus and having now got themselves in a
situation where they have an accumulated
budget deficit of $167 billion. What on earth
are they going to do about it other than play
semantics around the word 'fairer' and rip
money in an erratic way out of any cash cow
they see lying around? We do not know and,
unfortunately, the Australian people do not
know, but the Australian people are getting
very sick of it.

Both Ms Gillard and Ms Plibersek have
used the example of the poor apprentice
subsidising the frontbencher, the millionaire
or the billionaire through the Medicare
rebate. It is quite true that irrespective of
your income you get the same rebate, set at
30 per cent by the Howard-Costello
government. It was deliberately set at that so
there was no unfair advantage for people on
high incomes over those on lower incomes.
Of course, what Ms Gillard and Ms Plibersek
neglect to mention when they paint their
little scenario of the poor apprentice
subsidising the rich frontbencher or rich
minister is that everyone pays a 1½ per cent
Medicare levy which is based on income; so,
the more money you have, the more you pay
in the levy. If you want the real picture of
how health is funded in this country, you
need to include both figures. No-one has any
objection whatsoever to the Medicare levy
being set as a percentage of income, but to
try to pretend that that is a completely
separate and different issue from the private
health insurance rebate in terms of funding
health in Australia is ridiculous and arcane.

We then move on to the grand advocates
of the politics of envy, Senator Cameron and
Senator Thistlethwaite, who would have you
believe that only people who are millionaires
and billionaires have private health
insurance. It would be lovely if there were 11
million-plus millionaires and billionaires in
Australia, but there are not. There are 11
million people, however, who have private
health insurance, and very few of those are
millionaires and billionaires. I am sure that,
if the government would like to rejig this
legislation so that it only applied to
millionaires and billionaires, they would
have no disagreement on passing it. But they
want to just pretend somehow that it is not
everyday Australians who have private
health insurance and have it for very good
reasons. They often go without in other areas
so that they can have private health
insurance, and they are prepared to pay the
costs involved in having private health insurance. As Senator Edwards pointed out so well, if the number of people with private health insurance drops substantially, the effects on public health and public hospitals are going to be extraordinary. It is going to cost vast amounts more money. It is going to put waiting lists out extraordinarily. It is going to affect all health professionals. It is going to affect the availability of health professionals and the number of people going into professions if there is not sufficient work to make a profit.

As I said, half of Australia's 11 million privately insured people have incomes of less than $50,000. Last time I looked, that did not constitute a millionaire or a billionaire. Of those people, 3½ million have an income of less than $35,000. But the costs will continue to rise for everyone who remains in private health insurance if the government persists with their so-called fairer system.

It seems quite illogical and a little difficult to understand how on earth taking 2½ million people out of the rebate system will assist the development of private health in Australia. I listened with interest to the figures that Senator Edwards gave us on the effects on the public health system that will follow. I do not think the government care about that. I think we have here an ideological issue. Concerns about how the public health system cope are not their problem. They do not want to know how successful or efficient the private health system is; they just want to work out ways to diminish it and get rid of it—and at the same time find themselves a little bit of money to try to fix up the deficit mess they have got themselves in. There was, of course, argument. I was part of the inquiry the first time these bills came before the Senate Community Affairs Legislation Committee, which seems a long time ago now.

The modelling from the government says there will only be 27,000 people dropping their cover as a result of these changes. Some of the academics that the government lined up to follow on from this described private health insurance as 'sticky': people do not want to let go of it. No, people do not want to let go of it, but push them far enough and they will have to let go of it because the costs will rise. So the government say only 27,000 people will drop out, but Treasury, of course, did not do any modelling for them, because they did not want to know what the real answer was. But their own insurer, Medibank Private, has said that 37,000 of their members alone will drop their cover and 92,500 will downgrade. That is what the government's own private health insurance body says. If you look at the Deloitte figures, they say that in the first year you would expect 175,000 people to drop their private hospital cover and 583,000 to downgrade their cover. They say that, over five years, 1.6 million people will drop cover and 4.3 million will downgrade. They say—and this is where, irrespective of whether you earn $35,000 or not—private health insurance premiums will rise 10 per cent above what they would otherwise be. We are looking already, right now, at increases in private health insurance premiums averaging about five per cent, so we are talking about 15 per cent. Deloitte's analysis says there will be $3.8 billion in additional recurrent costs in the public hospital system as a result of these people dropping out of private hospital cover. They say that 2.8 million people with general treatment cover will withdraw and 5.7 million will downgrade over five years. And yet, of course, the grand experiment of this government continues in terms of ideological fixing.

We have not even yet spoken about the broken promises aspect of this legislation. On a quick count, there are at least seven
examples of Ms Roxon, as Minister for Health and Ageing, Ms Gillard before that and then-Prime Minister Kevin Rudd promising absolutely that there would be no change to private health insurance rebates. Ms Gillard, as the shadow minister for health in September 2004, said, 'I grow tired of saying this: Labor is committed to the 30 per cent private health insurance rebate.' It is funny that she has somehow not quite managed to do that. In October 2005 she said: 'The truth is that I never had a secret plan to scrap the private health insurance rebate. For all Australians who wanted to have private health insurance, the private health insurance rebate would have remained under a Labor government. I gave an ironclad guarantee.' It goes on, of course, right up until 2009—almost on the eve of the introduction of this legislation, when the then health minister, Ms Nicola Roxon, said, 'The government is firmly committed to retaining the existing private health insurance rebates.'

Not long after the election of the Rudd government, I had a phone call from a woman who had been solemnly promised by the Labor policy secretariat that there would be no changes to the baby bonus. And yet, less than nine months—and the number is, of course, relevant—after that, the baby bonus was cut for couples over a certain income. Again we had the fallacy that somehow people with annual incomes over $50,000 are rich.

The other question that arose during the inquiry into this legislation was: if this legislation were to pass, how would health insurance companies know whether you were entitled to a rebate or not? How is that to be done? Is every Australian supposed to ring their insurer and say: 'My income for the year will be X amount. So tell me: do I get the rebate or do I not get the rebate?' Are we actually suggesting that, without any sort of coverage in the legislation—there certainly were not any answers available at the inquiry—I have to give my income to a health insurer? Is that what we are suggesting would happen? There was a vague suggestion during the inquiry that perhaps it could be done in blocks: 'Do you earn between $50,000 and $6,000' or whatever. I am sorry, but why should any Australian have to give that figure to a health insurer? It is a matter of privacy and there are no restrictions or regulations around how that would happen. Yet again we have this government getting yet more data collected up on people all over the country, for no good reason except to satisfy their own ideological whims.

I have mentioned already how the costs of private health insurance will rise because there will be fewer people, there will be fewer healthier people, in private health insurance. It would seem axiomatic, but apparently it is not, to this government. We have also recently had reports from Sinclair Knight Merz on the cost of the carbon tax for hospitals in Australia. They say that the carbon tax will add $100 million a year to health sector energy bills. In some areas the health sector is a very high user of energy. Other than that, it uses energy at similar rates to the commercial sector, with lights needing to run 24 hours a day in most parts of hospitals. You have the idea that key hospitals will have an extra $1 million-plus put onto their energy costs. So hospital costs will go up, and ambulance costs and cemetery costs are also going to rise as a result of the carbon tax, and this will come out across the board. The head of Ramsay Health Care, which is Australia's largest private hospital provider, said that they can see no way out of this except to pass on these cost increases. They expect that there will be a 16 per cent increase in their energy costs by 2013—and that is 66 private hospitals. There is no reason to think that this would
not apply to the majority of hospitals, be they public or private, across Australia. Perhaps instead of stopping the poor apprentice from having to subsidise the wealthy frontbencher, this will end up being the poor apprentice subsidising the government's carbon tax, irrespective of whether they use public or private hospitals.

We are looking at a tsunami of cost increases. If public and private hospital costs are to rise and if people outside the mining industry are already suffering from a very depressed job market and depressed growth market, then, surely, what we need here is incentive for people to stay in private health, not sticks to drive them out and especially not sticks disguised as fairer ways of doing anything. There is absolutely nothing fair about this legislation except that it very fairly reflects this government's attempts to use the politics of envy to bludgeon their way through with ideology that is designed to stop incentive amongst individuals in Australia and designed to attack the private sector in every industry. I am happy to join the coalition in opposing these bills.

Senator XENOPHON (South Australia) (13:16): I again rise to speak on the policy behind the Fairer Private Health Insurance Incentives Bill 2012 and related legislation. Again I oppose it. Just a few minutes ago, I had a meeting with representatives of the Australian Physiotherapy Association. What they said to me was that they are very concerned about this bill because of the ham-fisted way this bill has been structured, will end up dropping out of their ancillary cover. They will still stay within a private health scheme in order not to be penalised with this carrot and stick approach, but, because of the lack of the rebate, they will cut back on their cover. Where will they cut back on their cover? On ancillary cover: physiotherapy, optometry, occupational therapy and a whole range of associated services will be left behind. Australians will not get the additional help they need on a whole range of preventative health measures, such as seeing a dietician or getting psychological help for stress. These are the sorts of things that will suffer as a direct result of this bill.

I fear this bill will have all sorts of unintended consequences for all Australians and their access to health care. One of the challenges in health is getting the right funding mix between government, private health insurance, individual out-of-pocket payments and third-party payments, all of which are important parts of our health system. It is about equilibrium and achieving an equilibrium that gives all Australians access to affordable, high quality health care. I firmly believe that private health insurance plays an important part in the mix of health funding and the delivery of health services and that as many people as possible should have access to the highest quality and affordable health care. I believe this is best achieved by the right mix of private and public health care.

I note that 45 per cent of Australians hold some form of private health insurance cover and in my own state of South Australia that number is in the order of 56 per cent. That makes a bill such as this very important as it has the potential to affect a lot of people and the decisions they make about their private health cover. The government has advocated means testing the current 30 per cent rebate on health cover on the basis of equity and sustainability. But let us analyse that. I strongly support a healthcare system in Australia that is equitable and accessible for all Australians and sustainable to the taxpayer. I do not believe that the government's proposal to means test the rebate and create a tiered health system will
achieve this outcome. Rather it will create a lopsided system and damage the equilibrium between the public and private health systems. We must always be wary of unintended consequences.

As I have said before, what makes private health insurance accessible and affordable for many Australians is the 30 per cent rebate. There are many Australians below average weekly earnings who sign up to private health cover because they can see the important benefit for them. Most Australians on an average salary would struggle to afford private health insurance, especially during times when so many are struggling to balance the family budget and so many are worried about job security. Health is not something that can be taken for granted. You can see that in the almost 50 per cent of Australians who do what they can to budget for private health insurance for their wellbeing and that of their families.

In December 2009 the Productivity Commission released its report examining comparative hospital and medical costs for similar procedures in public and private hospitals, the rates for fully informed financial consent, relative performance indicators and most appropriate form of indexation. That report arose from an agreement I reached with the government when I raised concerns about the lack of information about how our health system worked, about comparative funding and even basic information on health outcomes, particularly on comparisons between the public and private systems. That was in the context of the Medicare surcharge legislation at the end of 2008. That was at a time when the way I voted did make a difference on the outcome of some legislation and I am pleased to have been able to secure that concession from the government. I thought it was a very good and valuable exercise in informing public policy in this area.

We need to reflect on some of the aspects of the Productivity Commission report. That report made it clear that both the public and private systems work best side by side. The report says:

The strength of interaction between the two sectors—

that is, public and private—

has led some to describe them as ‘interdependent’ … reflecting the fact that the services and functions of each sector help to support the other. The interaction between the sectors may be demonstrated by, for example: the sharing of resources in co-located establishments; medical staff working across both sectors and the exchange of spillover benefits (the private sector benefiting from the public sector’s investment in medical training and research).

The AMA’s submission to the commission’s report summarises this well in saying:

… the plural nature of the public and private hospital system is one of the strengths of Australia’s health system. It is readily apparent that taxpayer sourced funding cannot bear the whole load of financing health care … Australia gets its best result when the two sectors have a strong symbiotic relationship …

My concern is that that strong symbiotic relationship will be frayed and could well be damaged beyond repair as a result of these proposed changes.

At the time of the report there were 768 public hospitals and 556 private hospitals in Australia, providing 4.7 and 3.1 million episodes of care respectively for admitted patients in 2007-08. It is a delicate balance between the two, with their services often being complementary. For example, public hospitals handled around three-quarters of all medical separations—that is, episodes of care—while private hospitals performed around 60 per cent of all surgeries and nearly 70 per cent of other procedures in 2007-08. Around 95 per cent of outpatient occasions of services, including emergency department
presentation, were handled by public hospitals, while nearly two-thirds of elective surgery separations were performed by private hospitals. I think these examples show just how much the public health system needs the private health system side by side and vice versa. If even some of that demand shifted to public hospitals then before long something would have to give.

Public hospitals do a great job in providing acute care and a whole range of other care but, the more pressure you put on them, the result will be longer and longer waiting times in areas such as elective surgery and for the ancillary cover, as the Australian Physiotherapy Association quite rightly pointed out. This is a clear example of how private and public health systems do complement each other to provide better health care for Australians, and it is an equilibrium that could be put at risk if the means-testing of the current 30 per cent rebate results in people pulling out of or downgrading their private health insurance. Back in 2009, when the government first announced means-testing the 30 per cent rebate, the Treasury projected that as a result of the policy change 225,000 high-income consumers would withdraw from private cover. My concern is that higher premiums mean less affordable cover for all people, resulting in fewer people having access to private cover and putting more pressure on the public system.

The government has argued that this 25,000 figure from Treasury is inconsequential, that it would have no significant impact on the numbers of people with private health insurance cover. But the modelling that this is based on has not been tested and is not transparent. The assumptions have not been spelt out. It does not consider just how price-sensitive people are when it comes to the cost of their private health insurance going up. Also, there is no modelling at all when it comes to the issue of ancillary cover. We can explore this, I hope, in the committee stage, but if the Australian Physiotherapy Association tells me—and I accept fully what they say to me—that there is no modelling on the impact on ancillary cover then how on earth is this going to be modelled in terms of the impact it will have on the public system? How many more people will be queuing up to get physiotherapy and occupational therapy and to get advice from dietitians and psychologists—a whole range of health professionals in the public system—because people will drop out of the private system, at least in terms of ancillary cover?

Getting the policy settings right on public health insurance is very important. Sadly, the government seems more interested in getting its budget in the black by, in effect, putting household budgets in the red. The government really needs to seriously consider the consequences of this bill. I note that a number of my colleagues have mentioned Deloitte's research. Deloitte produced its report for the Australian health insurance alliance—so it is a report for an industry group, and that needs to be taken into account. But I think it is fair to say that Deloitte as a consultancy service is well respected and has done some rigorous work in this field, and the onus is on the government to rebut it. I think that what Deloitte has put up is very compelling. It talks about the fact that in the last full financial year, 2010-11, private health funds have paid $12.4 in benefits towards the health care of 11.7 million Australians who hold some form of private health cover. That is no small amount of money or people. Just imagine if significant numbers of those people—even 10 per cent—withdrew from private health cover or downgraded their cover.
Let us consider the picture that Deloitte has painted. Deloitte estimates that in the first year of a means-tested rebate, 175,000 people will withdraw from private hospital cover and a further 538,000 will downgrade. In addition, Deloitte estimates 554,000 people will withdraw from general treatment cover and another 803,000 will downgrade. Over five years, Deloitte estimates that 1.6 million people will withdraw from private health insurance and a further 4.3 million will downgrade their cover. Further, people who withdraw from their private health cover are less likely to have claimed healthcare benefits than those who choose to remain.

As people withdraw from their private cover, they become more reliant on the public healthcare system. Or, worse still, they just do not seek help, which can have catastrophic consequences for the health of those individuals. Between 2012 and 2016, Deloitte estimates 845,000 additional separations will need to occur in public hospitals as a consequence of the means-testing of the rebate. This translates to $3.8 billion in additional operating costs over five years to the public health system, with $1.4 billion in the fifth year alone. That is not a pretty picture for the future of Australia's health care system. As Deloitte says in its report:

As people withdraw from private health insurance, the burden on publically provided healthcare rises. The findings indicate that the cost of treating consumers in the public hospital system are expected to rise substantially above what is currently anticipated by Government.

These numbers I have just mentioned are staggering and highlight that, if people leave the private health system, the burden on public health care does not just rise; it escalates. We have a government that wants to get its budget in the black by in effect putting household budgets in the red.

I know the government disputes the findings of the ANOP/Newspoll survey that Deloitte's figures are based upon, but I think Rod Cameron and ANOP/Newspoll are well respected in terms of the work that they do. It is a prospect we need to seriously consider, especially when Deloitte is such a well-respected and reputable firm. A more pressured public health system with less affordable private health cover is a serious matter. It is a recipe for policy failure within a healthcare system that is neither equitable nor sustainable—the very opposite of what the government says it is trying to achieve.

The government might mention that the predictions of people dropping out due to the Medicare surcharge legislation back in 2008 did not come to fruition. That is the case because the legislation was significantly amended. I think in a way that was tempered; it did not push those price sensitivity points, in a sense, with the Medicare surcharge legislation. I can foreshadow, in case we do not have time to properly debate this bill in the committee stage, that I will be moving an amendment, which I will now briefly outline.

My idea for this amendment came to me after an ABC journalist at the Senate doors one morning was grilling me about whether or not I would support an independent body for collecting information on the composition of health funds, which I think I alluded to. George Roberts was the journalist, and I am not sure that the ABC wants to be pulled into policymaking, but I am grateful to Mr Roberts for his question because it has led to me having an amendment drafted, which I will name the 'Roberts amendment,' which probably horrifies Mr Roberts.

The amendment I propose is that the Productivity Commission, in its independence, reports annually on the composition of private health funds. It is vital that we know from an independent source just how many
people drop out of private health insurance or reduce their cover as a result of means-testing the 30 per cent rebate. I believe that the Productivity Commission is well placed to do this, particularly given its previous report that comprehensively looked at the mix between the public and the private health systems. By reviewing annually the composition of health fund membership we will be able to see precisely just how many people drop out or downgrade their membership. It is almost a rule of public policy that there will always be unintended consequences, and in this case it is important that these consequences be monitored, because I believe they could well be severe. That is why it is essential to have the Productivity Commission take on the role of monitoring the impact of these changes.

My question, respectfully, to the government will be: if the government does not support the amendment in its current form, what assurances can it give to this place, to the people of Australia, that there will be a mechanism to monitor the number of people dropping out or downgrading their cover? The downgrading of cover is where I think the sting is in the tail with this piece of legislation and the impact it will have. I would be grateful if the government could provide me with a comprehensive answer in relation to that. Surely there must be some responsibility mechanism, an independent and robust mechanism, to determine what the impact will be.

I believe we owe it to the Australian people to not take risks with their health but to give Australians the options they need to get the best possible health care and to give Australians a healthcare system where private and public work side by side in a symbiotic relationship, complementing each other to achieve the best health outcomes. This legislation does not do that.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:32): I always think that the Australian people are very positive and are always looking for the bright light at the end of the tunnel. They have a positive outlook on the future of Australia, which is why they get so incredibly frustrated and disappointed that this Gillard-Rudd-Smith-Shorten-Carr-Greens-Independent Labor government keep giving the Australian people such bad policy. I had better correct that. I was referring to Senator Bob Carr and not Senator Kim Carr; Senator Bob Carr is clearly the smart one.

We have the Australian people in the situation where the government is continuing to foist upon them bad policy. It is happening time and time again. As I travel through mostly regional communities, there is a sense of a lack of confidence in this government that it can actually deliver anything properly for this nation. As somebody said to me the other day, 'This Labor government is choking this country,' and it is. It is doing it because there is so little good policy, substantive policy, that we see coming from the government. This private health insurance legislation is absolutely no different.

Isn't it interesting, colleagues, that on the other side of the chamber with the Labor government over there and in the other place, they are continuing to harangue the coalition and harangue the leader, Tony Abbott, about being negative and about saying no. If the government could at any stage give us some good policy for the Australian people, we would not have to keep saying no. The only reason we are saying no is because the government continue to give us such bad, ill-thought-through policy on the run. We only have to look at the private health insurance legislation before us to see yet another example of this.
It is just stupidity to take away the incentive and place an impost on the Australian people which is going to lead to them dropping their private health cover and is going to push them into the public system. That is just completely stupid. The public system is already completely overloaded. I take my hat off to the men and women, the doctors, the nurses and staff, in our public health system who work so hard in very, very difficult situations. But here we have a government that is planning on making it more difficult for those health workers, making it more difficult for the public system to cope because it is planning to put more pressure on that system through the people who are going to leave private health insurance. It is just completely illogical for the government to come up with a policy that says, 'We're going to make things even worse for the public health system.' The health system cannot bear any more; it is at stretched point. There is no doubt about that.

What else are we going to see? We see a deterioration of the risk pool. What is that going to do? That is going to increase premiums for those still remaining in private health insurance. The government come up with arguments that they think are appropriate for why this should be happening, but at the end of the day it is going to put costs up for those people who are going to remain in the private health system. It is interesting, isn't it? We often see the Labor government implying that private health insurance is for the rich. It is not. It is actually for people who are taking the opportunity to make sure that they have the financial support they need at times when their health is at risk. That makes sense, and that is why we brought it in in the first place. But this government is prepared to say that private health insurance is for the rich.

It is interesting: 5.6 million people with private health insurance have an annual household income of less than $50,000, and 3.4 million have an annual household income of less than $35,000. I know that the government will argue that that does not apply under the changes. But it does. By association, by those risks that are put in place, the costs are going to go up for people remaining in private health insurance, because of the critical mass of people who will now shift out of private health insurance into the public system. Those people will be affected, and they will be affected quite badly. So for the government to say in any way shape or form that those people are not affected is simply untrue.

When we look at the Medicare system and how it is going to be impacted by this, it is just extraordinary that the government clearly does not realise what the impact of this is going to be. I take Senator Xenophon's point that he made earlier about unintended consequences. I think that there are going to be many. Coming back to my initial point, the government is simply not thinking through policy properly. And, as Minister Conroy has just joined us, the NBN is a classic example of policy that has not been thought through properly—but I will get to that a little bit later.

I also just want to touch on another point that Senator Xenophon raised, about ancillary cover. This is the importance of allied health and the fact that the work has not been done to see what the impact is going to be from the resultant changes on those who have ancillary cover now. This is a real problem. It is going to be a real issue, particularly for regional communities, where getting access to allied health is a real problem, as my good colleague Senator Macdonald would know very well. So what impact is this change going to have on the provision of those services, particularly to people in regional communities?
I doubt that the government has an answer. Perhaps, if we have time, during the committee stage we may be able to get some kind of response from the government—perhaps a few moments here or there, seeing that they are keen on guillotining just about everything at the moment. But what impact is that going to have? I suspect that the government have absolutely no idea what that impact is going to be. I suspect that the government have not even considered it, because it has become quite obvious over many months and years of Labor government now that the government simply do not understand regional Australia. They do not understand the impact that their bodgie, ill-thought-through policies are having, particularly on our regional communities.

When we look at the changes and the direct analysis of what this is going to do, there are going to be 2.4 million people directly affected with the immediate increases in the premiums at 14 per cent, 29 per cent and 43 per cent in the respective income tiers for those under 65. Isn't that interesting? Reflecting on what I said before, I will just quote the shadow minister, Peter Dutton, because I think he put it very clearly: ‘There are 12 million Australians who have private health insurance. It is not the playground of the rich, because, of that 12 million, almost six million people are on incomes of less than $50,000, and over time everybody's premiums will go up if you drive the healthy and the young out of private health insurance.’ It says it all, really, and the government clearly do not understand that implication. They clearly have no understanding, even though the government owned insurer, Medibank Private, predicted 37,000 of their members alone will drop their cover and that 92½ thousand will downgrade.

I know that many of my colleagues have quoted the Deloitte analysis, but I think it is worth while doing it again. In the first year, 175,000 people would be expected to withdraw from private hospital cover and a further 583,000 to downgrade it. Over five years, 1.6 million will drop cover and 4.3 million will downgrade. Private health insurance premiums will rise 10 per cent above what they would otherwise be, there will be $3.8 billion in additional recurrent costs for the public hospital system and there will be $4.6 billion in revenue removed from the private sector as a result of consumers withdrawing and downgrading their private health cover.

How can anybody look at those facts and think that this is any kind of sensible, balanced, well-thought-through policy whatsoever? You cannot. You simply cannot do that. Again, the government in its inability to properly think through policy has come up with yet another dog. Why should we be surprised, colleagues? We have had years and years of shambolic policy from this government, and this is just another example.

I think it is worth while, for the benefit of the Senate and those who may be listening, running through some of those shambolic policies to show the form that the government has in its absolute inability to govern this country properly. Firstly—and I know that my very good colleague Senator Cash will know all about this one—Labor's failed border protection policies, which have blown out the immigration budget by around $4 billion over the last three years and where more than $5 million has been spent on preparing the government's abandoned Malaysian people swap deal. I have to commend Senator Cash for the work she has done in this area. Very few people understand it better than she does. But what a mess! What an absolute mess! And it is all
the fault of this government. It changed a policy that was working. There were no boats. And yet now we see from this government an absolutely shambolic piece of policy that has resulted in the chaos that we have when it comes to our border protection.

And who could forget the Home Insulation Program, the pink bats? There was $2.5 billion mismanaged, with at least $500 million to be spent fixing the mistakes. Computers in Schools: a $1.4 billion blowout and way behind schedule. Green Loans and Green Start: $175 million for the Green Loans Program mismanaged and then eventually dumped, then replaced with the $130 million Green Start program that never started! The solar homes program: $850 million blowout and the program cancelled. The program was originally meant to cost $150 million. There was the set-top box program at an average of $350 a home, but interestingly—

Senator Conroy: Why do you hate pensioners? You voted for it, you hypocrite! You voted for it!

Senator NASH: Ah—good to see you have woken up, Minister. Just let me finish and we will come back to that later.

Let us have a look at Harvey Norman. Gosh, they are offering the same deal for $168. Hm, let's see: government, $350 a home and Harvey Norman, $168. It does not seem to really stack up that well, does it, colleagues?

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT (Senator Pratt): Order! Senator Conroy!

Senator NASH: Absolute mismanagement! And then we get to the Labor talkfests—

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT: Senator Conroy, please come to order!

Senator NASH: Speaking of talkfests, we can see why they do that. Senator Conroy is having a good go from the other side. Labor's talkfests include the 2020 Summit for $2 million, the Henry tax review for $10 million, the tax summit for $1 million and the jobs summit, but with hardly any outcomes. Here are two the people of Australia were absolutely enamoured of: Fuelwatch and GROCERYchoice! Weren't they great? Remember those, colleagues? Fuelwatch was going to fix the problem! GROCERYchoice was going to fix the problem! Nearly $30 million was spent setting them up, and then what happened? Any good outcomes? Let me see. No. Oh, gosh. What happened? They were dumped—$30 million and they were dumped. I am sure there are plenty of people in regional communities who think that $30 million could have been much better spent out in the regions, but no; we had it for Fuelwatch and GROCERYchoice.

Then, of course, there is Senator Conroy's NBN. What was that? Was it $4.7 billion to start with, blown out to more than $50 billion? The other thing is: was there ever a proper business case to justify the spending? Let me see, colleagues. Guess what the answer is: clearly no. This is yet another example of policy on the run from this government, which is simply inept. It cannot run the country. I have people saying to me they just wish we had a grown-up government that was able to run the country properly.

We saw the absolute debacle of the live cattle export trade. The fact that the government, panicked and on the run, shut down the live export trade was absolutely appalling and an indictment of this government, and it was yet another example of the government's complete lack of understanding of regional Australia. I say to those on the other side that if they had been
travelling around during the inquiry, talking to the people on the ground and seeing how that stupid, stupid decision affected people in their homes and businesses then they would know that they are simply inept.

In all of this, we also see the government promise 64 GP superclinics. They have delivered 19 and scrapped two in the process. Here is my particular favourite—this one I love. We were talking about waste, mismanagement and government being inept. The government sold the parliamentary billiard tables for $5,000 and then spent $102,500 finding out whether we got true value for money. If that does not encapsulate the absolutely inept nature of this government and its absolute inability to run the country properly, I do not know what does.

What really gets to people is being lied to. They really are starting to get hot under the collar, because every single time they turn around something else comes out from the government that is yet another backflip, another lie or another untruth, and they are sick of it. These are people out there in the communities—particularly, as I say, in regional communities—that I am talking to and that are trying to bring up their children, run their families, homes or businesses and instil in their children good ethics about how not to lie, how to be straight and how to tell the truth, and then they look at this government and every single time they turn around there seems to be another untruth.

I know some of my colleagues have raised these already, but as examples of the fact that you cannot trust this government these are absolute corkers. When it comes to the private health insurance legislation, we look at the then health minister, Nicola Roxon, saying on 24 February 2009:

The Government is firmly committed to retaining the existing private health insurance rebates.

Mr Kevin Rudd said on 25 February:

The Private Health Insurance Rebate policy remains unchanged and will remain unchanged.

This is Mr Rudd again, in 2007:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

One perhaps thinks that if Mr Rudd had got a few more votes then maybe we would not be having this, but who would know? That is a story for another day that I suspect may well come back another day. Then we look at the now Prime Minister, Julia Gillard, saying back in 2005:

The truth is that I never had a secret plan to scrap the private health insurance rebate … For all Australians who wanted to have private health insurance, the private health insurance rebate would have remained under a Labor government. I gave an iron-clad guarantee of that during the election.

The difference between Tony "rock solid, iron-clad" Abbott and me is that when I make an "iron-clad commitment", I actually intend on keeping it.

Absolutely extraordinary. They are the words out of the mouth of the woman who is now the Prime Minister of Australia, who has put the private health insurance legislation in front of us today.

So how on earth can anybody across this country believe anything this shambolic Labor government says? They heard those words coming from the Prime Minister in 2005. Obviously she was telling an untruth, because we now have changes to private health insurance in front of us. What does that do for people? That twigs another memory and another recognition from before the last election which goes something like, 'There will be no carbon tax under the
government I lead.’ This is the Prime Minister of Australia, Julia Gillard. What are we having in about 109 days from now? A carbon tax. What is that carbon tax going to do? It is going to hurt every Australian, and it is going to hurt regional Australians harder than anyone else. It is going to hurt our farmers harder than virtually anyone else, with fuel, electricity, fertiliser and transport costs right across the board, and those farmers have nowhere to pass those costs onto. That is only a little more than 100 days away. We sit on this side of the chamber looking at the other side, at the government, every day and saying: ‘You are appalling. You have no ability to run the country. You are completely inept.’

We see again with this piece of legislation in front of us the inability of this Labor government to properly think things through, to properly look at the consequences of its actions and to properly provide decent, sound, well-thought-through policy for the people of this nation. Colleagues, I tell you what: Australians around this country are fast, fast coming to the conclusion that this government is unable to run this country and it is time for a change.

Senator IAN MACDONALD (Queensland) (13:52): I want to commence my contribution to this debate on the Fairer Private Health Insurance Incentives Bill 2012 and the associated bills exactly where Senator Nash finished off, and that is by quoting our current Prime Minister, the leader of the Labor Party, who said this in a letter to the Hobart Mercury:

I grow tired of saying this—Labor is committed to the 30 per cent private health insurance rebate.

That was said by our Prime Minister. How can any Australian trust anything this person says? Indeed, how can any Australian, or Queenslander, accept anything any Labor Party leader says? Ms Gillard again, writing to the Courier-Mail in Queensland, responding to another letter to the editor, said:

YOUR correspondent … should have no concern that Labor will "erode" or abolish the 30 per cent government rebate for private health insurance. Labor is committed to the maintenance of this rebate and I have given an iron-clad guarantee of that on a number of occasions.

That is our Prime Minister. What an embarrassment to Australia that person is. You simply cannot believe anything she says. We all know—it is part of the lexicon now—that Ms Gillard promised, just before the people went to the polls at the last election, ‘There will be no carbon tax under a government I lead.’ And in a few short days that tax, which has already passed through this parliament, thanks to the Labor Party and the Greens political party, will be imposed upon all Australians—the greatest carbon tax in the world.

As my colleagues have clearly demonstrated, once you remove this rebate people will drop out of the private health insurance system and they will then rely more and more on public hospitals. I cannot talk about public hospitals elsewhere in Australia, but I can talk about the public health system in Queensland, which is an absolute shambles after practically 22 years of Labor rule in Queensland. Do not take my word for it; just go online and google ‘Wikipedia Queensland Health’, and you will see a litany of the way that Labor cannot run the public health system as it is. In my home town of Townsville, there is a great set of staff at the Townsville general hospital—very dedicated doctors and nurses—but there are never enough of them. And of course the nurses are not very happy because they do not get paid in Queensland because the Labor government in Queensland simply cannot even arrange the payroll for the nursing staff in Queensland Health. This is a
typical Labor government administration of health, and it is a typical Labor government administration of the country's—or, in my case, the state of Queensland's—financial system.

In Queensland we had an announcement by Ms Bligh, the leader of the Labor Party there and the current—for another couple of weeks—Premier of that state, that she was going to abolish Queensland Health. She was going to get rid of it; she was going to cut it into two and restructure it. That followed the incident where a supposed Tahitian prince just cleared off with $16 million from Queensland Health. He had been robbing the system for years, but no-one in the Queensland Labor government had any idea of that. Their administration of health in Queensland is legend, and it is legendarily bad. Yet it is to this system which the current federal Labor government, which promised never to interfere with the 30 per cent private health insurance rebate, is going to send Queenslanders. This federal government, by taking away the private health insurance rebate, will indeed send more people to the public health system, which, in Queensland, is almost like sending people to their greater detriment, and, in cases where you are dealing with matters of life and death, could be sending them to a more terminal future. That is what this legislation will do.

Time is not going to allow me to go through how the public health system in Queensland will become more overtaxed as a result of this legislation. But now that I see that a number of Labor members have come into the chamber to hear me make this speech, can I just repeat again, in case they did not quite hear me before, this quotation from the Labor Party leader, and our current embarrassment of a Prime Minister, Ms Gillard, who said:

I grow tired of saying this—Labor is committed to the 30 per cent private health insurance rebate.

Can I also repeat what Ms Gillard said in responding to a letter to the editor of the Courier-Mail in my state of Queensland:

YOUR correspondent … should have no concern that Labor will "erode" or abolish the 30 per cent government rebate for private health insurance. Labor is committed to the maintenance of this rebate …

Can I repeat that, Mr President?

Labor is committed to the maintenance of this rebate …

And she goes on to say, in writing:

… I have given an iron-clad guarantee of that on a number of occasions.

Can you believe anything this Labor leader will say? Can you believe anything the Labor leader in Queensland will say when it comes to health ministers? Can you believe anything any Labor member will say? The evidence, the examples, of Labor leaders telling untruths in making commitments is legend. And I fear for my state of Queensland that the Labor leader there will be, as I speak, up in Queensland promising everything to everyone. She will be promising, probably, not to sell the railways—

Senator Furner interjecting—

Senator IAN MACDONALD: And you, Senator Furner, should know. Did you agree with the sale of the railways when they promised not to do it? Of course you did. What a disgrace any Labor leader is. You simply cannot believe them.

Debate interrupted.

DISTINGUISHED VISITORS

The PRESIDENT: Order! I draw the attention of honourable senators to the presence in the chamber of a former President of the Senate, Kerry Sibraa.
Welcome to the Senate, and we trust you will enjoy question time.

Honourable senators: Hear, hear!

QUESTIONs WITHOUT NOTICE

Grants Allocation

Senator SINODINOS (New South Wales) (14:00): My question is to the Minister for Finance and Deregulation, Senator Wong. Are there any ministers who have failed to report cash grants made to their own electorates over the past two years? If so, who are the ministers?

Senator Chris Evans interjecting—

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:00): I think Senator Evans's interjection, if I may say, is quite apposite. But I welcome a question from Senator Sinodinos. I also congratulate him on his appointment to the shadow expenditure review committee to oversight the work of Mr Robb and Mr Hockey. Clearly they need the oversight.

The PRESIDENT: Senator Wong, come to the question.

Senator WONG: I am happy to. I am asked about grants in ministers' own electorates. Can I make it very clear that this government has made significant reforms to improve whole-of-government transparency and accountability in grants programs. We established the guidelines in 2009 and the reason we did so is that we knew about the Howard government's inappropriate allocation of grants that occurred during their period in government, when the allocation of grants was clearly skewed towards Liberal and Nationals seats. I do not think anyone who was an observer of politics or was involved in politics could forget the 'regional rorts' program—a program where grants funding was blatantly skewed—

Senator Brandis: Mr President, I rise on a point of order. As you are well aware, the minister is required to be directly relevant to the question. The question asked whether there were any ministers who had failed to report cash grants in the past two years. That can only be a request for the names of ministers and, if so, who were they? There is nothing the minister has said in response that is directly relevant or even vaguely relevant to the question asked of her.

The PRESIDENT: There is no point of order at this stage. The minister has 57 seconds remaining to answer the question.

Senator WONG: Thank you, Mr President. The guidelines are what is relevant to the answer here and what is relevant to the question, and Senator Sinodinos would know that. As I said, we implemented the first ever comprehensive guidelines established at the Commonwealth level to ensure transparency—

Senator Abetz: Can we talk about ministers?

Senator WONG: It is the guidelines which are relevant to the answer. The ANAO has assessed—

Senator Abetz interjecting—

Senator WONG: Will you settle down? The ANAO has assessed the implementation of these guidelines. Senator Abetz does not seem to understand this.

Senator Abetz: I understand it very well.

Senator WONG: Senator Abetz does not understand. The Audit Office has noted positively for the first time that the government's expectation for ministers, agencies and officials when performing duties in relation to grants administration was clearly articulated. In the latest report, the ANAO examined some 800 ministerial briefs and identified out of the 800 only 33 cases of underreporting of grants in a minister's own electorate.
Senator Brandis: Mr President, you have given this minister enormous latitude. She has two seconds to go. She was asked to name the ministers. That is all she was asked. You have given her latitude for a minute and 58 seconds.

Honourable senators interjecting—

The PRESIDENT: Order! On both sides! Senator Brandis is entitled to be heard and I am entitled to hear him.

Senator Brandis: The minister has taken a minute and 58 seconds to criticise the Howard government and to speak in general terms about the guidelines. She has two seconds to go. It cannot possibly be right to say that she is entitled at this late stage in the question to avoid coming to the question—that is, name the ministers.

Senator Jacinta Collins: Mr President, I rise on a point of order. If Senator Brandis refrained from such spurious points of order and listened to the answer that the minister was providing, she gave some general background as to the guidelines and their history and then went to the number of cases. If he had listened he would probably have heard his full answer.

The PRESIDENT: The minister has two seconds remaining to address the question that has been asked by Senator Sinodinos.

Senator WONG: The Audit Office has identified 33 cases out of 800 of underreporting. (Time expired)

Senator SINODINOS (New South Wales) (14:05): Mr President, I ask a supplementary question. Will you name those ministers? And is it a fact that a minister who fails to report cash grants made to their own electorate to the minister for finance is in breach of the government’s own guidelines? Has the minister exempted any ministers from abiding by these rules and, if not, what steps has the minister taken to ensure that ministers do abide by the rules?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:06): Mr President, my further supplementary question to the minister is: will you just name those ministers, and is that not the best way to get transparency around upholding your very own guidelines?

Honourable senators interjecting—

The PRESIDENT: When there is silence we will proceed. Order on my right!

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:12): As I said in answer to the first
supplementary question, the information is ordered in confidence. It was provided to the JCPAA. The classification of this information is a matter for the Auditor-General. I am advised that the JCPAA will consider how the information is dealt with. I also make this point clear: my department has examined all instances identified by the Audit Office and is of the view that no further action is required with regard to those grants. What we have is a government that is being far more transparent than those opposite ever were. We all remember regional rorts.

Senator Brandis: Mr President, I rise on a point of order.

Senator Wong: You are so sensitive, Senator Brandis.

The President: Senator Wong, resume your seat.

Senator Brandis: In the primary question the minister was asked one thing: to name the ministers. You gave her all the latitude in the world, and after the expiry of two minutes she had not approached the question. In the second supplementary she was asked again to name the ministers. She has still not done so. Given that she defied the standing orders by refusing to deal with the primary question and by refusing to abide by your ruling in relation to the primary question, you should bring her to the question now and direct that she name the ministers.

Senator Jacinta Collins: Mr President, on the point of order, perhaps you could remind Senator Brandis that you ruled he had no point of order—

The President: This is not debating time. If you wish to speak on the point of order you may.

Senator Jacinta Collins: I do wish to speak on the point of order because Senator Wong has been directly relevant. The opposition may not like the answer they have received. Senator Brandis should receive an education in the role of the Joint Committee of Public Accounts and Audit. It was cruel that Senator Sinodinos was asked to ask this question, given his record of lost ministers during his period assisting the Prime Minister.

The President: Order! I believe the minister has been addressing the question. The minister has 10 seconds remaining. Minister, if you have anything further to add you have 10 seconds.

Senator Wong: I have now, on a number of occasions, explained that the information is ordered in confidence. That classification is a matter for the Auditor-General and the JCPAA is considering it. The fact that the opposition do not like that answer does not make it not relevant. (Time expired)

Mining

Senator Sherry (Tasmania) (14:10): Mr President, my question is to the Minister representing the Prime Minister and the Leader of the Government in the Senate, Senator Evans. Can the minister advise the Senate how the government is committed to ensuring that the benefits of the mining boom can be shared with other businesses throughout Australia as a result of tax reform?

Senator Chris Evans (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:10): I thank Senator Sherry for his question and his ongoing interest in the strong economic position of the country. Australia's economy is continuing to grow despite the difficult global conditions, and
we are keeping our economy strong. That means more people are staying in work. We know what is happening overseas and we have the situation in Australia where the economy remains strong and people remain in jobs. But we also know that to grow our economy we need to continue to support Australian businesses. That is why we are committed to company tax reform so that businesses can be even more confident to continue to invest in Australia and can continue to be confident in employing Australians.

We are committed to delivering a one per cent tax cut as part of business and company tax reform. We will fund that one per cent cut from the revenue from the superprofits which flow from this once-in-a-generation minerals boom. Australians understand that mining companies are making record profits from mining our resources. They want to make sure, as this government does, that the benefits of that flow through our community. This government will be using the profits from those resources to benefit business in Australia—to provide them with some taxation reform that will allow them to grow their businesses and allow them to employ Australians.

We are determined to provide business tax reform. We are determined to see lower rates of business and company tax. We are determined to make sure those companies doing it tough also benefit from the mining boom. We would encourage the Liberal Party to come to their senses and recognise the importance of business tax reform, recognise the views of business around Australia that support this reform, examine the mess they have got themselves into, and come on board and support Australian business.

Senator SHERRY (Tasmania) (14:13): Mr President, I ask a supplementary question. Can the minister further advise the Senate how the government is putting in place measures to ensure the long-term fiscal and economic strength of Australia?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:13): We are absolutely committed, as a government, to returning the budget to surplus in 2012-13. To achieve that surplus the government is undergoing one of the fastest fiscal consolidations in history. This means you have to make tough decisions, and that includes tough decisions like reforming how we subsidise private health insurance. That was a tough decision that said, 'We want a sustainable private health insurance system.' We have made the tough decision that says, 'We can't subsidise the private health insurance of everyone. We can't ask ordinary working families to subsidise the private health insurance costs of the very wealthy.'

(Time expired)

Senator SHERRY (Tasmania) (14:13): Mr President, I ask a further supplementary question. Can the minister inform the Senate whether he is aware of any alternative policies which put at risk the long-term economic and fiscal position of Australia?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:14): As I understand the coalition's position now, it is to give back money from the mining tax to those making superprofits, some of the richest billionaires in the country. Their position is to subsidise the private health insurance of the very wealthy in Australia. Their policy is to provide a $75,000 benefit to families who are earning more than $150,000 per year. And they are going to fund all of this largess to the wealthy by...
cutting services to ordinary Australians. They have got themselves in the position where they are continually giving money back to the wealthy, and they are going to have to find the $70 billion required to make those decisions by cutting the health, education and superannuation that ordinary Australian families rely on. That is what they have got themselves into. We know before the next election they are going to have to rethink this, but Australians will not accept this sort of stupid economics. (Time expired)

Future Fund

Senator CORMANN (Western Australia) (14:15): My question is to the Minister for Finance and Deregulation, Senator Wong. Did Mr David Gonski tell the minister, her office or her department that Peter Costello was the most qualified person on the Future Fund board to be its next chair—yes or no?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:15): I am very pleased to be asked about this issue because I think it is an opportunity to make sure the chamber understands what occurred, as opposed to some of the assertions which have been made publicly. Can I say at the outset that I welcome the opposition’s welcoming of Mr Gonski’s appointment. I was very pleased to see that Mr Hockey and Mr Robb released a statement welcoming his appointment and that his appointment has been warmly received by members of the business community. In terms of the criteria for the choice of Mr Gonski, I would refer the honourable senator to the section of the act which states that a person is eligible for appointment if they have substantial experience or expertise and professional credibility and significant standing in at least one of the following fields—

Senator Cormann: Mr President, I rise on a point of order. I am pointing to the requirement for the minister to be directly relevant to the question. I asked a very specific question as to whether the minister, her office or her department was told by Mr Gonski that Peter Costello was the most qualified person on the Future Fund board to be appointed as its next chairman—yes or no? It is a very specific question. It requires a yes or no answer. While the minister might want to carry on with all of the other stuff, that is what we are wanting to hear.

The PRESIDENT: I cannot instruct the minister how to answer the question.

Senator Abetz: You can.

The PRESIDENT: I cannot instruct the minister. The minister is addressing the question. The minister has one minute and 13 seconds remaining to answer the question.

Senator WONG: If I may say, Mr President, I am surprised the opposition do not want to be reminded of what the criteria in the act for the appointment of chair are. Against that criteria Mr Gonski stands out as an exceptionally qualified candidate and nobody will demur from that. In relation to the—

Honourable senators interjecting—

The PRESIDENT: Order on my right! Order on my left! When there is silence we will proceed. Order on both sides!

Senator Brandis: Mr President, I rise on a point of order. The minister is now abusing the Senate. She was asked a question about whether a statement was made by a named individual, and that was the entire question. It cannot be the case that reciting criteria for an appointment is directly relevant to the question: was a statement made by Mr Gonski? The minister, as you must see, Mr President, is abusing the Senate and you ought to bring her to order.

Senator Chris Evans: Mr President, there is no point of order. Senator Wong is

CHAMBER
attempting to give a comprehensive answer to the question asked. While Senator Brandis may be concerned about the decades-long failure of Peter Costello to win the top job in any field he is in, that is not a reason for making a point of order.

The PRESIDENT: Order! That is debating the issue. I am listening closely to the minister's answer. The minister has 55 seconds remaining to address the question.

Senator WONG: There was a thorough process that led up to the government's decision to appoint. First, the Department of Finance and Deregulation began the process of identifying appropriate candidates for the chair and board positions in the second half of last year, an executive search firm was engaged and the department asked Mr Gonski to meet with the board to seek their views. Mr Gonski was requested to speak with members of the fund to seek their views on key attributes for the upcoming vacancies for chair and member of the board as well as potential candidates they considered might be suitable to fill these upcoming vacancies. Mr Gonski was not asked to provide recommendations about who should fill either of these positions but to summarise the views of the board and to convey this to government. (Time expired)

Senator CORMANN (Western Australia) (14:21): Mr President, I ask a supplementary question. How does the minister reconcile Mr Gonski's public statements that the government was told that a majority on the Future Fund board wanted Mr Costello to be the next chair with her own claim that Mr Gonski did not make any recommendation about who to appoint? Why won't the minister stop using tricky semantics to obscure the plain fact that Mr Gonski told the government that the Future Fund board wanted Mr Costello to be its next chair?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:21): As I said, Mr Gonski was not asked to provide recommendations about who should fill either of these positions. Mr Gonski's report did not recommend any candidate. But I would make this point: during—

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence we will proceed. Interjections are disorderly.

Senator WONG: Mr Gonski, as I said, was not asked to make any recommendations, and he did not. He spoke to board members and summarised their views for the department. He has made that clear and I have made that clear. What we have, in the face of the outstanding candidate, Mr David Gonski—welcomed by the other side—is that some of those opposite who still hanker for Mr Costello to have the top job now want him to have a different top job. It was extraordinary. Today we saw former Prime Minister John Howard actually advocating for the first time for Peter Costello to have the top job.

Senator CORMANN (Western Australia) (14:23): Mr President, I ask a further supplementary question. Will the minister now table Mr Gonski's written advice to the government about the appointment of the next chair of the Future Fund given the minister's own office gave a copy of that advice to Laura Tingle at the Financial Review to read at her leisure?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:23): That memo is not a public document. I note that Senator Cormann moved an order for production in this place yesterday. That was not supported by the chamber. Obviously, if there are other proper mechanisms by which people seek to have
the document made public, I will make a decision at that time. This government and I, as part of this government, will always, in the face of the sort of politicisation that Senator Cormann is engaging in—and it is interesting that it is Senator Cormann and not other members of the coalition—ensure that we pick the best people for the job for things such as the Future Fund, which are so important to Australia's economy, and we have. We have picked the best person for the job. The opposition know that he is an outstanding appointment.

**National Disability Insurance Scheme**

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (14:24): My question is to the Minister representing the Minister for Disability Reform, Senator Evans. In 2007 the Australian government ratified the United Nations Convention on the Rights of Persons with Disabilities. Article 4 of that convention stipulates that people with disability must be involved in all decisions that affect their lives. In 2011 the Australian government committed to introducing the National Disability Insurance Scheme. This scheme represents a fundamental shift of control to people with disability over their choice and management of disability supports. In light of this convention, does the government acknowledge that people with disability should be involved right from the beginning of the process of the development of the NDIS? What action is the Australian government taking to ensure that people with disability are intrinsically involved in all aspects of the development and implementation of the NDIS, right from the beginning of the process?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:25): I thank Senator Siewert for her question and her ongoing interest in the needs of people with disability in our community. As the senator pointed out, the government has taken the lead on fundamental reform of disability services because we know the current system is not serving the needs of those with disability, their families and their carers. As she understands, we have worked with the states to try and get a combined approach to ensure that we implement the recommendations of the Productivity Commission, which recommended this approach. We have continued to invest heavily in people with disability and their support services. As she knows, the government has a strong record of investing in those services.

As to her central point, there is no doubt that her point is a good one: this is a scheme that is designed to meet the needs of people with a disability and their families, and it is important that they be involved from the very start in that work. The reality is that the demand for the National Disability Insurance Scheme and support for it came out of the disability sector, the people with a disability and their families and carers who have been campaigning for many years to try and ensure a much more comprehensive response from governments for the needs of people with disabilities. I am sure they will be centrally involved in the development of the scheme and its design. I do not have any specific briefing on the mechanisms for that engagement. I am happy to take that part of the question on notice. But I know Minister Macklin is absolutely committed to working with people with disability to make sure the reform serves their needs, because that is what it is all about.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (14:27): Mr President, I ask a supplementary question. I thank the minister for the bit of detail about the scheme, but he did not, as he just
articulated, get to the point about how people with disability are being involved in the development of the scheme. If he could take that on notice, that would be appreciated.

I presume he may need to take the following question on notice. What specific policies and actions are put in place to ensure that states and territories are engaging people with disability in the work that they are undertaking as part of the NDIS scheme? I specifically want to know, regarding people with disability—not care providers or service providers but people with disability—how they are being engaged right now in the building blocks. (Time expired)

The PRESIDENT: Your question was very long, Senator. You should realise that 30 seconds is the time allowed.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:28): In response to the concerns, that is what I deliberately did in the primary question: I took on notice your specific concerns because I did not have a briefing regarding that. The senator and the Senate will know that, through the Council of Australian Governments, we are working with the states, and they have agreed with us that the NDIS ought to be a priority. A select council of treasurers and disability service ministers, chaired by the Commonwealth, has been established. Their work will drive us in achieving the National Disability Insurance Scheme, together with the advisory group that has been established. As to the specifics of their direct engagement with people with disability, I will take that on notice. I am sure that is occurring. I think everyone accepts that for too long we have had a top-down policy in this area and have not been listening as closely as we should to people with disability. I am sure there is sensitivity to those concerns, but, as to the exact arrangements, I will take that on notice. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (14:29): Mr President, I ask a further supplementary question. I thank the minister for agreeing to take that on notice. I ask him to also take this question on notice: what level of funding is being made available to people with disability to participate in this process and to actually prepare for the implementation of the NDIS? We are aware that disability enterprises are being assisted to get ready for this. We would like to know how the government is assisting people with disabilities to prepare.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:30): As people are aware, we have invested heavily in greater support for people with disability in terms of pensions et cetera. On the specific question the senator asks, I do know that an additional $10 million has been provided for new projects to identify practical ways to prepare the sector, the workforce and people with disability to examine how the design elements of the scheme will work in practice. As to her question about particular funding, I think there is access to that funding for new projects to directly engage with people with disability, but, as to the specifics of the question, I do not have a briefing on that. I will get her a comprehensive answer on the theme of all of her questions, which goes to how we are supporting the people with disabilities themselves to engage in the process.

Small Business

Senator RYAN (Victoria) (14:31): My question is to the minister representing the
Minister for Small Business, Senator Lundy. Is the minister aware of a recent article published by Dun and Bradstreet in the magazine *Small Business Insight* which states: 'The number of small businesses going bankrupt over the last 12 months jumped by 48 per cent, while small business start-ups fell by 95 per cent over the same period,' and, 'Business failures were up more than 40 per cent'? Given the Prime Minister's announcement yesterday of the coalition's policy—

**Senator Wong:** These are the people you are going to deny the tax cut to!

*Government senators interjecting—*

**The President:** Order! On my right! Senator Ryan is entitled to be heard in silence.

**Senator Ryan:** I could not hear any background noise, Mr President.

**The President:** Continue your question.

**Senator Ryan:** Given the Prime Minister's announcement yesterday of the coalition's policy of a national small business commissioner, can the minister explain how this new position will fix the problems currently faced by Australian small businesses like the abolition of the entrepreneurs tax offset and new cost burdens associated with the carbon tax—problems that were all created by the Gillard government?

**Senator Wong:** Says the man who wants them to pay more tax!

**The President:** Order! Senator Wong, that is disorderly.

*Honourable senators interjecting—*

**The President:** When the debating across the chamber has ceased we will proceed.
from those opposite. Last year, for example, the government consulted with small business people, their peak organisations and state and territory governments on options—for example, the dispute resolution services. The establishment of a commissioner and advocate was well established back then, so this is an example of the Gillard Labor government responding to the needs of small business, not completely ignoring them, like those senators opposite.

Senator RYAN (Victoria) (14:35): Mr President, I ask a supplementary question. There was a good segue there. I refer the minister to a statement made by the Prime Minister and the Minister for Small Business yesterday:
Labor understands and supports the aspirations of working people who want to run a decent small business.

Given this, does the government understand the concerns of three in four businesses surveyed by the Queensland Chamber of Commerce and Industry who believe the carbon tax will have a negative impact on their business? Does the government understand that 84 per cent of businesses surveyed want the carbon tax scrapped altogether? Will the government listen to those complaints from small business?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:35): Those opposite have an absolute hide asking questions about small business as though they have their interests at heart. For example, yesterday the member for North Sydney, Mr Hockey, announced that the Liberal Party would not be supporting a tax cut for companies, and this comes right after they turned their backs on the small businesses of Australia and voted against the tax breaks for 2.7 million small businesses in this country.

We recognise, of course, that the carbon price will impact on some business costs. There has been a lot of exaggeration from one side of the debate, but the fact is that the overall price impact is modest at 0.7 per cent. It is true that there will be some cost increases around 10 per cent, but that is why businesses, we expect, will pass on those costs where they cannot change production, and that is why we are providing $15 billion of household assistance over four years, $15 billion dollars in the pockets of people who spend their money—(Time expired)

Senator RYAN (Victoria) (14:37): Mr President, I have a further supplementary question. Given that in 2009-10 there were over 300,000 jobs lost in the small business sector and today small business start-ups are falling at record rates—

The PRESIDENT: Senator Ryan, please resume your seat. Senator Ludwig and Senator Abetz, I could not hear what was going on. I know you two are having a discussion.

Senator Abetz: Would you like to name Senator Wong for once this question time?

The PRESIDENT: I have, previously. You're quite welcome! I was trying to listen to Senator Ryan.

Senator Abetz: I'll stop breathing and I'll start interjecting!

Government senators interjecting—

The PRESIDENT: Order on my right! I am trying to listen to the questioner. The questioner is entitled to be heard in silence. Senator Ryan.

Senator RYAN: Thank you, Mr President. If I may, I might start again.

The PRESIDENT: Yes, you may.

Senator RYAN: Given that in 2009-10 there were over 300,000 jobs lost in the small business sector and that today small business start-ups are falling at record rates
and small business owners are facing increasingly high operating costs, why is the government placing even more burdens on small business, in particular through the world's biggest carbon tax? Why won't you listen to small business about that complaint?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:38): Again, let's not let the facts get in the way of a good scare campaign from those opposite. We have seen today the Shopping Centre Council of Australia making clear that the clause the coalition is alluding to here was included in leases for small businesses once the debate began on the need to combat greenhouse gas emissions. So it was in the leases when the coalition actually supported pricing carbon. What we know is that this contrivance that somehow the carbon price is going to impact on small business is a complete furphy. The Shopping Centre Council of Australia made that very clear today. The coalition has been left with egg all over its face as a result of that coming to light.

As I said before, it is the Gillard Labor government that is speaking to small business, listening to small business, responding to their needs, delivering as far as our commitment goes, which is not—(Time expired)

Employment

Senator MARSHALL (Victoria) (14:39): My question is to—

Honourable senators interjecting—

The PRESIDENT: Order, on both sides!

Senator MARSHALL: Thank you, Mr President. Can the minister outline to the Senate what the government is doing to tackle entrenched poverty in areas like Broadmeadows, which has 12 per cent unemployment and 70,000 people on the Centrelink books?

Senator KIM CARR (Victoria—Minister for Human Services) (14:40): Thank you very much, Senator Marshall. This government is facing up to the reality of inequality in our society. Today I am announcing the opening up of a new $25 million fund to provide further help to prevent people falling through the cracks. The fund is called the Local Solutions Fund. I am calling on community organisations to put that fund to work in disadvantaged regions.

This is a country of incredible wealth and opportunity, but the fact remains there are appalling pockets of social distress in our community. If we look to the north of Melbourne or to the outer suburbs of many of our capital cities or to rural communities like those in the Goulburn Valley, right across this country, in every state and territory, there are people who are facing acute distress. Poverty and unemployment can be passed down from parent to child for generations. We know that there are workers who are facing redundancy. There are people who are unexpectedly falling upon hard times. There are retirees who have to face circumstances without resources. There are refugees who have come here with nothing. So today we are asking for practical, creative ideas that can make our support systems work better for people in these areas.

Our task is to make the best of what we can do in terms of our education and training
systems, our social security systems, our healthcare systems. Where the market does not produce the goods necessary to produce a fair go in this country, the government can work with local communities to ensure that a fair go is provided. We want to use local knowledge and networks to respond to local needs and we want to ensure that people who have creative and innovative solutions can look to the government to assist them in producing good results for local organisations.

Senator MARSHALL (Victoria) (14:43): Mr President, I have a supplementary question. I thank the minister for that answer and ask: can the minister inform the Senate which groups the government will be looking to help through this funding?

Senator KIM CARR (Victoria—Minister for Human Services) (14:43): Senator Marshall, the Local Solutions Fund was built on our knowledge of people who are most seriously at risk in our society. There are children who grow up with parents who are out of work. There are people without the skills to get a job. There are kids who drop out of school far too young. There are teenagers who are looking after their own kids. We need all of our system to be able to work for them. We want to make sure that, for instance, teenage parents have the opportunities to get a fair go in life. We know that they are motivated to get the best start in life for themselves and their kids, but we also know that we need to build the individual resources available to make sure we can keep them at school and we want them to be able to connect with parenting support services at the same time. We want to be able to develop new approaches to help people get through these difficult periods in their lives. We want to be able to connect people to economic opportunities to ensure that they have a prosperous future, no matter where they live and no matter what their economic circumstances. (Time expired)

Senator MARSHALL (Victoria) (14:44): Mr President, I have a further supplementary question. I thank the minister for that answer and ask: can the minister inform the Senate what the government is doing to help people find the genuine employment opportunities that they want?

Senator Bernardi interjecting—

Senator KIM CARR (Victoria—Minister for Human Services) (14:44): I have heard Senator Bernardi ridicule this approach. Once again we have the pond life coming forward when it comes to the issue of trying to help people in our community who are genuinely in distress. This government is about ensuring that we have the economic conditions in this society to produce a full-employment society. It is not just a question of macroeconomics; it is also about ensuring that every Australian has the capacity to benefit from the profound changes that are occurring in our society. That is why this government stands ready to work to ensure that there are local solutions to provide support. Some $320 million, for instance, is being provided to support people to find jobs and to ensure that they have the skills necessary to be able to participate fully in our society. A number of job expos are being opened up across the country to make employers more aware of the opportunities available to take on people who are unemployed—

Senator Bernardi: You job has opened up, hasn't it?

Senator KIM CARR: Senator, you insist— (Time expired)

Family Court

Senator IAN MACDONALD (Queensland) (14:45): My question is to the Minister representing the Attorney-General,
Senator Ludwig. The minister will recall that on 14 February he told the Senate Legal and Constitutional Affairs Legislation Committee that the Attorney-General had promised a Family Court judicial appointment would remain at the Townsville registry. The minister will probably also be aware that the last permanently based Family Court judge in Townsville, the Hon. Justice Robert Monteith, retired in November 2011, almost four months ago. When does the government intend to replace Justice Monteith?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:46): I thank Senator Ian Macdonald for his interest in Family Court judges in Townsville. I do not accept the premise of his question, but can I answer it in this way: there is, and has been, consultation between the Attorney-General and the Chief Justice and the Chief Federal Magistrate. The Attorney-General is considering how judicial resources may best be allocated following Justice Monteith’s resignation and other upcoming vacancies.

The Attorney-General has also approved the commencement of the process to appoint judges in Sydney, Adelaide and Queensland, and has indicated a preference that the Queensland position be based in Townsville. These positions will be advertised shortly, I am advised, and has been, consultation between the Attorney-General and the Chief Justice and the Chief Federal Magistrate. The Attorney-General is considering how judicial resources may best be allocated following Justice Monteith’s resignation and other upcoming vacancies.

The process is in train. The Attorney-General is going through the appropriate process to discuss and to end up with an appointment process. I encourage strong candidates, particularly in North Queensland, to watch for the advertisement, make the appropriate applications and indicate their preference for Townsville. There is a preference from the Attorney-General to look at Townsville—(Time expired)

Senator IAN MACDONALD (Queensland) (14:48): Mr President, I ask a supplementary question. I ask the minister to check the Hansard records, where he will see that commitment was made. I also ask whether he is aware that the Townsville legal profession was advised by the Attorney-General’s office on 15 February that advertisements would be placed in papers in Townsville on 3 March. Were they published on that day as promised? If they were not, when is it intended to place those advertisements?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:49): In fact, I think the primary question covers all the issues that the supplementary question has sought to deal with. Again, I take the opportunity to indicate the information I have at hand. I am always encouraged in these circumstances to take on notice any question that I have not answered to see if the Attorney-General can provide any additional information which may be helpful.

What I said in answer to the primary question was that the Attorney-General has approved the commencement of the process to appoint judges in Sydney, Adelaide and Queensland, and has indicated a preference that the Queensland position be based in Townsville. In addition, my answer indicated that the process will also entail...
advertisements, and I can indicate that they are in train. As to the particular timing of that, it is a matter for the Attorney-General to deal with, but it seems that it will not be too far away.

Senator IAN MACDONALD (Queensland) (14:50): Mr President, I ask a second supplementary question. I would like the minister to reassure the people of North Queensland that a permanent placement will be made to the Family Court in Townsville. The minister will be aware that at estimates he promised, on behalf of the Attorney-General, that it would be done. The Attorney-General's office told us that there would be an advertisement on 3 March and there was not. Are these promises by the minister similar to the Prime Minister's promise that there would be no carbon tax or to her ironclad guarantee to maintain the health insurance rebate? Should people just ignore the promise— (Time expired)

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:50): It worries me somewhat that Senator Ian Macdonald has now gone to the gutter in relation to what is a very important Family Court appointment in Townsville. To those on the other side— Senator Brandis interjecting—

Senator LUDWIG: I am sure that Senator Brandis would not agree that we should cheapen this appointment by using the language that Senator Ian Macdonald has used, drawing it into another debate completely that can be run at any time. What the Attorney-General has said is that these positions will be advertised shortly and, as I said in my answer to the primary question, I encourage people from North Queensland to make strong applications for that position because the Attorney-General has a preference for a Townsville base.

Small Business: Enterprise Connect

Senator MADIGAN (Victoria) (14:52): My question is to the Minister representing the Minister for Industry and Innovation, Senator Lundy. Can the minister explain why, in the International Year of Cooperatives and with many of the most successful businesses across the world being cooperative owned, almost no Australian cooperative can benefit from the government's Enterprise Connect scheme—which requires an applicant to have an Australian company number—when allowing applicants to use an Australian business number, thereby indicating they are a taxpaying business, would allow most Australian trading cooperatives to benefit from the scheme?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:52): I understand Senator Madigan has had contact with the minister's office directly on this matter. Enterprise Connect is a major initiative introduced by the government in May 2008. It has supported more than 10,000 businesses through its national network. Enterprise Connect helps Australian small and medium enterprises develop skills, tools and knowledge needed to improve their competitiveness and productivity to maximise their growth potential.

I can inform the Senate that to date there have been very few cooperatives seeking to enter the program. While general eligibility requirements for the program require a business to have an ACN, this is not restricting cooperatives from accessing the program. Where a cooperative has made an approach, the department has requested the applicant make a case for admission based
on their ability to absorb and utilise the services provided by Enterprise Connect. The department has been able to consider these requests as exceptional circumstances on a case-by-case basis.

In response to Senator Madigan's principal question, cooperatives are able to participate nationally in Enterprise Connect's workshops, industry intelligence and networking, and knowledge dissemination activities. In the case of creative industries, cooperatives may access the Creative Industries Innovation Centre's monthly Biztro service. Further, in remote areas cooperatives are eligible for Enterprise Connect's core services if they meet the Remote Enterprise Centre eligibility requirements, which do not require an ACN. I also note that cooperatives have a range of legal structures. Most operate as corporations, either as publicly listed companies or publicly unlisted companies, and they typically have an ACN. Some are incorporated under state and territory law. All of these are eligible entities.

Senator MADIGAN (Victoria) (14:54): Mr President, I have a supplementary question. Does the government accept that not to include cooperatives in Enterprise Connect programs because of a belief that they lack adequate governance is not based on evidence, when the administration and compliance of cooperatives can be verified by simple checks on the state registry of cooperatives, and results from prejudice against the cooperative legal structure and the business model it encourages?

Senator LUNGY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:55): I reiterate the department is able to assess on a case-by-case basis the exceptional circumstances, but perhaps it would be useful if I outlined the general criteria used for eligibility to Enterprise Connect services. Generally, yes, they are required to possess an ACN or, in the case of firms in remote regions, an ABN. They are required to meet the relevant revenue or expenditure thresholds of between $750,000 and $100 million, depending on the sector and region. They have to be solvent. They have to have operated in Australia and filed business activity statements showing ongoing trading in at least three full consecutive years. They cannot have received a business review previously. And they must operate in one of the following industry sectors or regions: manufacturing or manufacturing related services, defence industry, resources technology, clean technology, creative industries, remote Australia, innovative regions or tourism. (Time expired)

Senator MADIGAN (Victoria) (14:56): Mr President, I have a second supplementary question. Does the minister accept that the existing state based cooperative acts and the new national core-consistent legislation make constant reference to Corporations Law, so that in many ways the accountability and reporting provisions for cooperatives are the same as companies and that, in terms of the regulatory compliance accountability, cooperatives are not so different to companies as to exclude them from the Enterprise Connect scheme?

Senator LUNGY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:56): I go back to the point I made in response to the member's first question: that on a case-by-case basis they can be considered for eligibility. I will take this opportunity to outline some of the history of Enterprise Connect. It was started in May 2008 and is a program that provides support to eligible small and medium enterprises to develop skills. It is important to recognise that
Enterprise Connect applies across the critical areas and specific industries that I mentioned. It does not really matter whether those businesses are located in metropolitan or country areas or, as I mentioned, in the remote programs. To date, Enterprise Connect has assisted over 10,000 firms and has provided detailed expert advice to over 5,500 clients. Eighty-three per cent of firms provided with expert advice report that Enterprise Connect helped them on productivity and efficiency.

Rural and Regional Health Services

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (14:58): My question is to the Minister representing the Treasurer, Senator Wong. I refer the minister to the government's spending priorities for rural and regional Australia in the upcoming May budget. Is the minister aware of the Rural Australia Medical Undergraduate Scholarships, known as RAMUS, which were introduced by the previous coalition government in the year 2000? Given that the RAMUS scheme provides scholarships for students from rural and regional areas to study medicine and become doctors and the fact that more than 1,800 scholarships have been awarded since the program was introduced, will the minister guarantee that the government will not cut funding for this program in the upcoming May budget?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:58): First, this government is the greatest supporter of regional Australia this nation has seen in a very long time. We have put more money into regional health and regional infrastructure than you ever managed to get out of the Liberal Party. The National Party really have to be known as the doormats, because they never managed to get this sort of investment into regional Australia when they were in government. They never managed to get the great Peter Costello to put this much money into regional Australia.

Opposition senators interjecting—

The PRESIDENT: Senator Wong, come to the question.

Senator WONG: I am asked to guarantee, rule in or rule out. Firstly, I will guarantee that we will ensure that we properly cost and fund our policies. We will ensure that our budget adds up. We do not have $70 billion of cuts to services including in regional Australia, unlike those opposite. We will go through the proper budget process and no-one in this chamber would expect any minister to come in and do a rule-in rule-out when it comes to the budget. I can tell you this: we do not have $70 billion worth of services to cut, which is what the opposition has.

Honourable senators interjecting—

The PRESIDENT: Order! Senator Wong, just wait a minute. There is a discussion taking place between Senator Conroy and someone else on the other side. I am finding it difficult to hear your answer and I am entitled to hear your answer.

Senator Conroy interjecting—

The PRESIDENT: Senator Conroy, you should remain completely orderly so I can hear the answer of Senator Wong.

Senator WONG: Thank you, Mr President. For example, in terms of the budget, we committed $3.2 billion to health infrastructure projects with 37 per cent going to regional areas. Just recently, I understand that the Regional Priorities Round of the Education Investment Fund of $500 million has been opened. I would have thought that the National Party would have welcomed that. But no, you do not want to welcome it, do you, even though it is going to the people
you represent because you cannot bear the fact that it is a Labor government which has delivered these initiatives for regional Australia.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (15:01): I have a supplementary question—

Senator Cameron: Here's another wacker!

Senator WILLIAMS: when Senator Cameron pipes down, that is.

The PRESIDENT: Senator Williams, ignore the interjection. Ask your question.

Senator WILLIAMS: I refer the minister to the Roads to Recovery program which was also introduced by the previous coalition government in the year 2000. Given the success of this program in providing direct assistance to local councils to build roads especially after the recent flooding, will the minister guarantee that the government will not cut funding for this program in the upcoming May budget?

Opposition senators interjecting—

The PRESIDENT: Order, Senator Ludwig! There is no point of order. I call on the minister.

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:01): I am interested that the coalition appear to believe that somehow a question about a roads program is a supplementary to a question about health. I would ask you, Mr President, if you could perhaps consider whether or not that is in fact a supplementary question to the primary question.

Honourable senators interjecting—

Senator Joyce: On a point of order, Mr President, is Senator Wong now reflecting on your judgment that you just made on your last point of order?

The PRESIDENT: No. There is no point of order. Senator Wong, you have 38 seconds remaining to address the question.

Senator WONG: As I have said, Mr President, this government has invested more into regional Australia in particular to regional health, regional education and infrastructure than ever occurred when Peter Costello was Treasurer, and the National Party know that. In terms of budget speculation, I refer to my previous answer.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (15:04): I have a further supplementary question, Mr President. I refer the minister to the 38c a litre fuel excise collected by the federal government. Given that the coalition had frozen this excise at 38c a litre in 1999, will the minister guarantee that the government will not increase the excise in the May budget on fuel or reintroduce indexation on the fuel excise?

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:04): This is a question about petrol
prices and excise in the context of a primary question about rural doctors. I would invite you, Mr President, to perhaps consider after question time whether or not this is in fact a supplementary question.

**Senator Williams:** On a point of order, Mr President, the primary question was to the senator representing the Treasurer. These are Treasury issues. If I had wanted to go to health issues I would have asked the question of the senator representing the Minister for Health. They are Treasury issues.

*Honourable senators interjecting—*

**The PRESIDENT:** Order! Senator, there is no point of order. The minister has 44 seconds remaining to answer the question.

**Senator WONG:** I am not speculating on the outcomes of the budget.

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

**QUESTIONS WITHOUT NOTICE:**
**TAKE NOTE OF ANSWERS**

**Grants Allocation**

**Future Fund**

**Senator JOYCE** (Queensland—Leader of The Nationals in the Senate) (15:06): I move:

That the Senate take note of the answers given by the Minister for Finance and Deregulation (Senator Wong) to questions without notice asked by Senators Sinodinos and Cormann today relating to the ministerial code of conduct and to the appointment of the next chair of the Future Fund.

There is a Yiddish proverb that says, 'a half truth is a whole lie,' and when people are evasive, misleading and nefarious we find that what they are doing is covering up the issue. The premise of Minister Wong's response was that no recommendation was given as to who should be the head of the Future Fund. Quite obviously, and apparently, this is not correct. This is not so much a question about the capabilities of the former Treasurer of Australia, the person who actually took us out of recession, the person who was appointed by the Labor Party—the Hon. Peter Costello. This is not a question about Mr David Gonski, a very respected businessperson. It is absolutely a question about the honesty in the answer delivered by Minister Penny Wong.

Sometimes you do not have to see the truth to know the truth. Quite obviously there was a recommendation and, quite clearly, Minister Wong has said on a number of occasions in both the printed media and in this chamber that no recommendation was given. But we have found out conclusively that there was an oral recommendation given. If she believes that is not the case, then she is calling David Gonski a liar. If she believes that Peter Costello does not have the 'requisite capabilities', then why did the Labor Party appoint him to the Future Fund?

We have a litany of inconsistencies. A minister who has been held up in the past as being of more honourable character than maybe some others has now sullied her own name and created questions about whether she has misled this place or the general public. It is quite evident that the statements of Mr Gonski are completely incongruous with the statements of Minister Wong. If Mr Gonski did not give a recommendation, as she states, then that clearly indicates that Mr Gonski did not give a recommendation that Mr Gonski should be the leader of the Future Fund. So he did not recommend himself and I would suggest that he knows himself better than anybody else. So he obviously did not believe that he had the requisite capabilities to be the leader of the Future Fund and we have clearly found that he recommended, in an oral form, that Mr Costello be the head of the Future Fund. Yet this is not the story that Minister Wong is telling us. So this is yet
another sign of the complete lack of capacity for the truth that is so self-evident in the Labor Party.

On the requirement of the presentation of documents, they have hidden and slithered and sleazed away from delivering the truth so we can all see it. When Minister Wong was asked about the presentation of documents, we got yet another statement. She said the chamber voted against the presentation of documents. You can see even in her words that she is avoiding the facts, that she is hiding the truth. The chamber? No, the Greens and the Labor Party voted against the presentation of documents. In a later little dissertation of her own, she referred to the great Peter Costello. Well, if it is the great Peter Costello, then surely this is the same great Peter Costello that she says does not have the requisite capabilities to be head of the Future Fund.

The Australian people now have a situation where Minister Wong has become, in a funny way, very similar to a former President of the United States, George W Bush. They had a selection criteria as to who was going to be the Vice-President of the United States. They made a person who was head of a giant oil field service company in Dallas the selector. That person's name was Dick Cheney. Later on President Bush rang up Dick Cheney and told Dick Cheney to select himself. It is strange, isn't it, how after a period of time there is this almost Orwellian place where we find it very hard to tell the men from the pigs and the pigs from the men. But we have arrived at this spot now. To be honest, it is not about Mr Gonski and it is not about Mr Costello; it is about the Labor Party, it is about Minister Wong and it is all about lies.

Senator SHERRY (Tasmania) (15:11): It is a pleasure to participate in this debate. The contribution that we just heard from Senator Joyce—and members of the Liberal opposition in their questioning of the Minister for Finance and Deregulation, Senator Wong—frankly highlights both hypocrisy and distraction. That is what the Liberal Party is about the raising this issue. Let me go to the issue of hypocrisy on the appointment of Mr Gonski to the Future Fund. The process has been clear, the appointment has been made. It has been made before the current chair's, Mr Murray, position was to lapse, I understand, by some four weeks.

The Liberal opposition have criticised my colleague, Senator Wong, a fine finance minister, on a number of grounds. Firstly, they talked about transparency in the process. Nothing could have been more thorough and comprehensive and transparent than the process that Minister Wong went through. Compare the process and the comprehensiveness over the last year with that of the past. Where was the open and transparent process when Mr Costello, as Treasurer, appointed the original members to the Future Fund? Why is the Liberal Party criticising the comprehensive and thorough and transparent approach of my colleague, Senator Wong, when they did not apply the same set of criteria and standards when Mr Costello was establishing the Future Fund? Why didn't they apply the same standards? It is hypocrisy.

Mr Costello was a Labor appointee to the Future fund. We did not see many Labor appointments to anything by the former Liberal government when they were in power. I just remind the chamber that Mr Costello is amongst a number of appointments of former Liberals by a Labor government recognising the qualifications that they have to make an ongoing contribution to the public policy debate in a range of positions. This is hypocrisy from them yet again. The Liberal Party come in...
here and criticise a Labor government for not appointing a former Liberal Treasurer when a Labor government in fact appointed him to the Future Fund. And it appointed a number of other former Liberal and National Party people I could mention. We did not see any of that from a Liberal government when they were in power—again, hypocrisy. But I think the ultimate hypocrisy is that the Liberal Party come in here and criticise us for not making Mr Costello leader of the Future Fund when they never had the confidence to make him leader of the Liberal Party and Prime Minister. That is rank hypocrisy. The Liberal Party come in here and plead with the Labor Party, 'Please make Mr Costello leader of the Future Fund when we didn't make him Prime Minister.' That is the ultimate hypocrisy and, frankly, the ultimate insult to poor Mr Costello. I am sympathetic to him on at least that score. But it is yet more hypocrisy from those opposite.

If you look at the process that Minister Wong has gone through as the finance minister compared to the previous process of Mr Costello as Treasurer with the original appointments, it is an outstanding example of transparency and thoroughness. A few people got their noses out of joint—and I am not here referring to Mr Costello particularly. I looked at some of the commentary and briefing from some members of the Future Fund last year suggesting in a range of ways that they should be chair of the Future Fund. They got their noses out of joint. They were not appointed. That is part and parcel of what this is all about in terms of the public debate. I notice a couple of people saying: 'Shock horror! The government's actually made an appointment!' Shock horror: governments have been doing that at a federal level for the last hundred years. Governments of the day—Labor and Liberal—have been making appointments to chairs and a whole range of other authorities, so to criticise the minister on that ground is, again, rank hypocrisy.

I could speak for the next five minutes about the number of Liberal and National Party political appointments that have been made. It is hypocrisy—(Time expired)

Senator CORMANN (Western Australia) (15:16): Senator Wong is not telling us the truth about her involvement in the selection of the new chair of the Future Fund. Very clearly again in question time today Minister Wong was hiding behind tricky semantics. What is now clear for all to see is that Mr Gonski told the government that, in his considered opinion, Mr Costello was the most qualified person on the Future Fund board to be its next chair. Minister Wong today was unable to reconcile Mr Gonski's public statements today that the government was told that a majority on the Future Fund board wanted Mr Costello to be the next chair with her own claim that Mr Gonski did not make any recommendation about who to appoint.

There are some important points to be made in relation to the Future Fund. It was the coalition government that established the Future Fund. We established the Future Fund in government to invest the budget surpluses Peter Costello delivered year after year. Ten out of 12 coalition budgets, of course, were surplus budgets. The first one was not, because we inherited a $10 billion black hole and $96 billion worth of government net debt left behind by the then Labor government. The Future Fund would not exist if it were not for Peter Costello. After the last coalition government had paid off $96 billion worth of Labor debt, we set up the Future Fund to put money aside to fund the future Public Service superannuation liability. Every single dollar of capital in the Future Fund has come from Peter Costello's budget surpluses. Labor has not put a single dollar
of capital into the Future Fund. Having inherited a strong $22 billion surplus, having inherited $70 billion worth of Commonwealth net assets, Wayne Swan and Penny Wong have turned that around to deliver $167 billion worth of accumulated deficits and taken us to $133 billion worth of government net debt. In the 12 months from December 2010 to December 2011 the budget deficit for this financial year has blown out by a staggering $25 billion. No wonder Wayne Swan and Penny Wong did not want to appoint Peter Costello chair of the Future Fund; clearly Wayne Swan and Penny Wong did not want to be shown up by somebody who actually knows what he is doing.

David Gonski was asked by the government to sound out the Future Fund board to identify who should be the next chair. The verdict was clear: the most qualified person on the board to become its next chair is Peter Costello. But this incompetent, dysfunctional and divided Labor government could not rise to the occasion. They did not have it in them. You do not have to look any further than the Treasurer's press releases about former Prime Minister Kevin Rudd to see what a churlish, politically vindictive character our Treasurer is. They could not get this decision right.

The only thing that disqualified Peter Costello from being appointed as the next chair of the Future Fund is that he is a Liberal. This is churlish and politically vindictive in the extreme. Most Australians would not agree with the judgment of this government that being a Liberal should automatically disqualify you from being appointed as the chair of a board like the board of the Future Fund. Most Australians understand that it was Peter Costello who set the Future Fund up and that it was Peter Costello who through sound financial management and surplus budgets put all of its capital in place. People across Australia know that Peter Costello would have provided fine service. Indeed, Mr Gonski, who has now been appointed by the government and whose appointment we have welcomed, actually had the same perspective on the issue.

Then, of course, there is the issue of the Gonski memo. Mr Gonski provided a two-page memo to the Department of Finance and Deregulation summarising the views of Future Fund board members about who should be the next chair of the Future Fund. What does Minister Wong's office do? Minister Wong's office walks up to the press gallery and hands a copy of that memo to Laura Tingle from the Australian Financial Review. She is allowed to read it. She is allowed to know what Future Fund board members think about this, but we, the Senate, are not. I advise the Senate that today I have lodged an FOI application asking for the release of that particular memo, because I think it is in the public interest for it to be released. *(Time expired)*

**Senator THISTLETHWAITE** (New South Wales) (15:22): Well, here we go again, with those opposite once again avoiding the main game in this motion to take note of answers debate. We did have questions from Liberal senators today about some serious policy issues. Senator Ryan asked a question about small business. Senator Williams asked a series of questions about rural and regional health care and rural and regional roads. But, again, they avoid the issues that matter to the people of Australia. They are not interested in talking about tax reform in this country. They are not interested in actually talking about providing benefits for small businesses. And why is that? There is one simple reason: it is because those on that side are opposing a tax cut for small businesses in this country.
It is almost like we are living in a parallel universe—because it is us on this side, the Labor Party, that are supporting a tax cut for small businesses in this country. We are the ones out there advocating for small business at the moment, saying that they need some tax relief, saying that some of the benefits of the mining boom need to be shared equally amongst other areas in our economy that we recognise are struggling under the weight of the resources boom in this country. But those opposite come into this place and again want to avoid the main game and instead want to discuss procedural issues—and, when you look at the position that they have got themselves into on policy and costings of policy, it is no wonder.

We all know that they are planning $70 billion worth of cuts to services when they fund their election promises as we get closer to the election. Australians who are worried about their health care, who are worried about the future of Medicare, who are worried about their reliance on the childcare rebate to make ends meet, who are worried about their tax cuts and who are worried about the increases in their pension want to know from those opposite what their policy is on these important issues that affect the lives of everyday Australians. But, once again, those opposite are not willing to discuss those issues. The reason is simple: it is because they are planning $70 billion worth of cuts to services that affect the lives of ordinary Australians. It is no wonder they do not want to talk about those issues. I would not want to talk about those issues either if I were them. How can you sell $70 billion worth of cuts to services for working Australians?

Those opposite come in here because they have their knickers in a knot about the fact that their scorned former Treasurer has not been appointed as the chair of Australia’s Future Fund. We need to ask the question: why is Peter Costello scorned? Why is he feeling this scorn? There is one simple reason. It is because those opposite did not appoint him as their leader and Prime Minister of this country. When they had the chance to tap John Howard on the shoulder, they avoided the opportunity because they did not believe that Peter Costello was up to it. They did not have the confidence. Despite John Howard being Prime Minister for 11 years—11 years as leader of their party—and despite him being on the nose when it came to the polls and the views of the Australian public, those opposite did not have the confidence to tap John Howard on the shoulder and give the job to Peter Costello. They did not have the confidence, they did not have the trust, they did not have the faith in Peter Costello to lead their party or to lead their country. Now they want the Labor Party to clean up the mess that they created.

I have asked myself why that is. Why is it that they are now asking us to clean it up? I have got to say that I think it has a lot to do with guilt. I think their Christian guilt has got the better of them. Look at you: you are all laughing but that is the real reason, isn’t it? Your Christian guilt has got the better of you. You know that you missed the opportunity of a lifetime to appoint Peter Costello as leader. You know you all feel bad about it. You know you cannot sleep at night when you think about the fact that you dudded him, and now you want us to fix up your mess. Unfortunately, we do not govern like that. For those opposite it is unfortunate, but we do not govern like that. We are not into righting the wrongs of the Liberal Party and making sure that their guilt over the past disappears. We believe that David Gonski is the best person to chair the Future Fund and that is why he has been appointed. (Time expired)

Senator SINODINOS (New South Wales) (15:27): I rise to take note of
answers given by Senator Wong to questions asked by me and by my esteemed colleague Senator Cormann. May I begin by saying that I am surprised that we on this side are being accused of having a conscience. This is new for the Labor Party: they accuse us of having a conscience! I will approach this debate in that spirit.

I think the answers in question time today displayed that yet again Labor is failing to stand up for the principles which they laid down from 2007 onwards in terms of the standards they would apply on various issues. We were told in 2007 that there would be a new regime of accountability around a whole slew of important issues: grants—which I will come to in a moment—government-funded advertising, FOI, election funding, governance of public organisations and statutory authorities. On all of these issues we were told it was a new dawn. The tawdry Howard regime was gone—

Senator Jacinta Collins: Interesting to hear you describe it that way!

Senator Sinodinos: and we were all going to be held to a much higher level of accountability. I will come to you in a minute, Senator Collins, if you like. The fact of the matter is that, in that time, Labor did implement those new standards and then proceeded to either ignore them or water them down on the way through. If I look at government advertising, for example, we were promised a new regime—a regime which included a much more active role for the Auditor-General. But when push came to shove around important items, like the much-lamented carbon tax, for example, the government watered down the guidelines about the extent to which outside bodies and outside experts would be allowed to scrutinise these major pieces of government expenditure.

So advertising failed. We come to the grants process we were talking about today in question time. Again, a fail. Senator Wong was unable or unwilling to name the ministers who, in 33 cases, had failed to disclose that they made grants in their own electorates. This was a requirement that this government had put in. It is not something that we required of them. In our time we had robust internal processes for this sort of thing. Labor made a big song and dance about the fact that it was a new dawn in this area, yet the minister has failed to hold those ministers to account—House of Representatives ministers in all those cases. In particular she has failed to hold to account those ministers who may have made grants against the recommendation of their own department. Again, it is a failure of transparency. Fail on that one. Going further, I note that if Penny Wong's department had reviewed the 33 cases and determined there was no concern why could she not name the ministers? What have they got to hide? If a department has the information, as opposed to the Audit Office, how can it be audit in confidence? The fact of the matter is that the information is out there. We know there are 33 cases and the minister should have named them.

I could go on to a slew of issues around FOI and electorate funding, where promises were made by the government and have not been kept. But we come to the governance of the Future Fund, and again we have a seriously corrupted selection process. Why? First of all, we had a search firm given the job of identifying candidates and its job was cut short. We are then told that David Gonski, a respected figure in corporate Australia, was brought into the equation. He seems to have been given the job of talking to the guardians of the Future Fund to ask them what they wanted. You do not ask someone what they want unless you are
seriously going to take their views into account. It seems that Gonski was sent off to do that. He came back with the answer. They did not like the answer, so there had to be a further process. It shows the lack of imagination and the lack of contacts and networks of this government, and this Treasurer in particular, in corporate Australia. They could not think of anybody else but the person who happened to be in front of them. As good a person as he may be and as well connected as he may be, they had no alternative—and they were up against the clock: they had to do something; they had to appoint someone. They looked around the room and they said: ‘Well, Gonski’s here and he doesn’t seem to be demurring. Maybe we should get him to do the job. Maybe he’ll be okay.'

Then we have the farce that Senator Cormann has highlighted so well around the leak to the Financial Review. How absurd is it that the Financial Review has more access to the workings of this government than this parliament? What an insult to this parliament. We have to do much better than that. (Time expired)

Question agreed to.

National Disability Insurance Scheme

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:32): 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 Siewert today relating to disability reform.

The United Nations Convention on the Rights of Persons with Disabilities in article 4.3 points out:

In the development and implementation of legislation and policies to implement the present Convention, and in other decision-making processes concerning issues relating to persons with disabilities, States Parties shall closely consult with and actively involve persons with disabilities, including children with disabilities, through their representative organizations.

Everybody in this place supports the principles of the NDIS and we for one congratulate the government for progressing this issue. We have no truck with that particular issue. What we do have some concerns about, and what has been raised with me, is the level of involvement of people with disabilities from the very beginning in discussions on the NDIS.

We are aware that there has been an advisory panel put in place, and I am not casting any aspersions on that panel but the increasing trend of governments, not just this government, is for panels of this nature not to be representative of organisations. The representatives are there for their expertise. While we recognise the need for expertise on these bodies, it does somewhat limit their ability to then go and consult, because very often they are bound by issues of confidentiality. It has been raised with me that people with disabilities and their organisations are feeling that they are not being adequately consulted. While the building blocks of the NDIS are being put in place, they feel that they do not know what is going on with the very scheme that is supposed to be about meeting their needs.

It is generally recognised and agreed that people living with a disability have not been adequately supported in this country. There is universal support for additional resources for people living with a disability. There is also very strong support for the provision of client-directed disability services—in other words, that people get to make decisions about their own lives from woe to go. This is why a national disability insurance scheme is so important, but unless we include people with a disability in the decision-making process from the very beginning we are not, firstly, meeting our responsibilities under the
convention but, secondly and most importantly, keeping true to what an NDIS is supposed to be about.

I do understand—and I have been involved in estimates questions about this—that the government has in fact put over $10 million into the establishment of the NDIS. I also recognise that it needs to consult very carefully with the states and territories. I further understand that the states and territories have been reluctant to put in place an engagement strategy to enable the Commonwealth and the states and territories to go and talk to people with a disability to ensure that they are included from the beginning. While we have a process where the government is investing in and building up the service providers—because they are going to be essential in delivering an NDIS—they are not the first people that we are responsible to in an NDIS. The first people we are responsible to in implementing an NDIS are those very people living with a disability. Surely, they need to be as included and supported as care providers.

That is why I was asking the minister today, before this process gets too far down the track, how people with a disability are being included in this planning process so that they get a say from the beginning about what works and what does not work. We the Greens fully recognise the need to include service providers, because if we start this scheme and those services are not up to scratch we are not going to succeed. I get that, but what I do not get is why the states and territories are reluctant to include people with disabilities and why they are putting up barriers for their inclusion. While this continues, you are not going to get the support of people with a disability for such a scheme. I will say again: the Greens strongly support an NDIS and we want to make sure it is the best possible scheme so we can claim it as the world’s best.

Question agreed to.

BUSINESS

Senate Temporary Orders

The PRESIDENT (15:37): Before proceeding to the next business, I remind the Senate of the order to return to government business at 3.45 pm this afternoon. That may well put a constraint on business transacted between now and then.

CONDOLENCES

Scott, the Hon. Douglas Barr

The PRESIDENT (15:38): It is with deep regret that I inform the Senate of the death on 12 March 2012 of the Hon. Douglas Barr Scott, a senator for the state of New South Wales in 1970 and from 1974 to 1985, and during this time a chairman of committees and acting President of the Senate.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (15:38): By leave—I move:

That the Senate records its deep regret at the death, on 12 March 2012, of the Honourable Douglas Barr Scott, former Senator for New South Wales in 1970 and from 1974 to 1985, former Deputy President of the Senate from 1978 to 1979 and former Federal Minister for Special Trade Representations from 1979 to 1980, places on record its appreciation of his long and meritorious public service and tenders its profound sympathy to his family in their bereavement.

Throughout his 15-year career in politics, Senator Douglas Barr Scott contributed in a wide variety of roles. I am sure those who knew him, and I believe that Senator Nash did know Senator Scott, will be best placed
to make a more in-depth and personal contribution than I can. I can, however, acknowledge his significant contribution to the Senate and to public life in Australia through his involvement in the federal parliament. On behalf of the government, I extend to his wife, Pamela, and his family our sincere sympathy in their bereavement.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (15:40): I rise to make a contribution today to the condolence motion for the Hon. Doug Barr Scott. I did have the good fortune on a couple of occasions to meet Doug, and when I did it really struck me that, even though it was many years after he had left the Senate, he still carried with him a very strong sense of character. He was very imposing, he was a man that you certainly knew was in the room, and he carried that gravitas with him all his life.

In the interests of time—and I am aware that we do not have very much time—I will not spend a lot of time going through the chronological information in relation to Mr Scott, because we can do that through other channels. I really just want to touch on a few things about him. He was born in 1920, he was a farmer and grazier at Grenfell, and he had a real passion for regional communities and looking to the future to plan, to try and make things better and to fully utilise his opportunity to make a contribution in this place on behalf of regional communities. To his wife, Pamela, children, Dianne and Andrew, and all of his family, I extend on behalf of all of the coalition our very sincere condolences to them at this time.

Mr Scott was a Royal Australian Naval Volunteer Reserve from 1941 to 1945 and had many roles here in the parliament. He was Deputy Leader of the National Country Party in the Senate—

An honourable senator: Was he?

Senator NASH: He was indeed. I, as deputy leader of the now National Party in the Senate, do feel a sense of kinship there. He was also Leader of the National Party in the Senate from 21 February 1980 to 1985. The party of course changed its name in that time, and he was appointed to many ministerial and parliamentary positions.

Somebody who did know Mr Scott very well was the Hon. Ian Armstrong OBE, AM, the former leader of the Nationals in New South Wales and former deputy premier. Ian had some observations to make about the Hon. Doug Scott which, importantly, come from him as someone who knew Mr Scott very well. Mr Armstrong said Mr Scott was kindly referred to as 'Senator Doug', which is really quite lovely, and that he was a man of great integrity. Ian said, 'Whatever he said, he researched well and articulated to the highest degree,' and that he had several passions.

Mr Scott's first passion was his family, and I note that in his maiden speech he referred to the family often. His second passion was his duties as a farmer. His third passion was for his district and his community, and his fourth passion was to map out a vision for the future short-, medium- and long-term plans for the nation. Mr Scott was apparently a tremendous sportsman. He was one of the best tennis players in the district and considered playing it at a state level. He was a very imposing figure in any crowd.

When I read through his maiden speech, it struck me how sometimes time does not move on and so many of those things that relate to regional communities that Doug was so passionate about still remain today. Indeed, in his maiden speech on 2 September 1970 he said:

I am concerned that the Federal Government should enter still more vigorously in cooperation with the States upon an attempt at real
decentralisation, at real population balance in this magnificent country, so that we may in fact stem the tide of population drift which threatens rural Australia today. The drift is from the towns and the villages and the farms to the metropolitan colossi of our coastline.

I hope that Doug would have known that there are many of us on this side of the chamber who are certainly continuing to push that case that he started, that he was so involved with, regarding decentralisation.

Doug also made another very interesting suggestion in his maiden speech which I thought he put very well:

… and a suggestion that we should temper our concern for pure theory with social and political considerations lest we become slaves to ivory towered conceptions.

In closing, in his final speech I thought he really showed his consideration of others. He began his final speech by saying:

Mr President and honourable senators, I really ought to apologise for being part of the cause of keeping you away from your lunch on this Friday afternoon.

He went on in his final speech, 15 years later, to refer back to what he had said in his maiden speech:

… I think I said that we should not regard ivory tower concepts as being the total answer. Unless things work among people in the community it does not matter how magnificent the theory is on a piece of paper; you had better alter it.

I think that speaks very clearly and very loudly for many in regional communities today.

Mr Scott concluded his final speech by saying:

Mr President and honourable senators, thank you for the past 15 years.

On behalf of the National Party and the Liberal Party, I today place on record our very sincere appreciation for the enormous contribution to the Senate, regional communities and the nation that was made by the Hon. Doug Scott.

Question agreed to, honourable senators standing in their places.

BILLS

Fairer Private Health Insurance Incentives Bill 2012

Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2012

Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2012

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator IAN MACDONALD (Queensland) (15:46): When question time interrupted my contribution on this, many Labor senators had come in to hear what I had to say about this particular bill. I see they have all left now and, for the record, there are two Labor people in the chamber. Clearly, they did not like what I was saying.

I was reminding the people of Australia that our Prime Minister, Ms Gillard, the leader of the Labor Party, had said some time ago:

I grow tired of saying this: Labor is committed to the 30 per cent private health insurance rebate.

She may have been committed to it before an election, as she was committed to not introducing a carbon tax. Clearly, with Ms Gillard you cannot trust or take at face value anything at all that she promises. This bill that we are dealing with today is removing the private health insurance rebate of 30 per cent that Ms Gillard promised Labor was committed to. In a letter to a newspaper about a correspondent who had written about Labor and private health insurance Ms Gillard said:
Your correspondent … should have no concerns that Labor will erode or abolish the 30 per cent government rebate for private health insurance. Labor is committed to the maintenance of this rebate and I have given an iron-clad guarantee on that on a number of occasions.

We have learnt that with Ms Gillard her iron-clad guarantees and her solemn promises to the Australian public before an election mean absolutely nothing. I say to the people of Australia: how can you ever believe anything Ms Gillard might say or promise at any time in the future? It does seem to be a Labor leader's disease.

In my own state of Queensland we had the Labor leader Ms Anna Bligh, the current Premier—or Premier for another week or so anyhow—promising before an election some time ago that the 8c subsidy which Queensland motorists enjoyed on their fuel would never be removed. Immediately she got into power, she did the Labor thing, completely rejected her promise and removed the 8c subsidy. She also promised time and time again that she would not sell public assets. For example, she would not sell Queensland Rail, but we all know the history of that now. Labor actually sold the state-run rail service in breach of a commitment.

The relevance of that to this debate on the removal of the health insurance rebate is this: everybody knows that, once you remove that incentive, people will not be able to afford, and therefore will leave, private health insurance. Where are they going to go to get their health services? They will go to the public hospitals. In Queensland the public hospitals are already grossly overextended. Whilst the nurses and doctors at the hospitals do a fantastic job, they are held back by understaffing, underpayment, underfunding, no beds and huge queues in the hallways and on the ramps because of state government mismanagement. The way public hospitals are run is a standing joke in Queensland. Ms Bligh said recently:

What is absolutely clear I think now beyond any doubt, … is that this organisation—Queensland Health—in its current form has a culture that is so entrenched it won't be changed while it's kept in that form.

She went on to say that Queensland Health was in diabolical trouble. She forgot to mention, of course, that it was that way because Labor has been in power for 22 years in Queensland, bar a few months in the mid-90s. Ms Bligh also said that the Queensland Health corporate office had failed in areas like staff accommodation, information technology, financial controls and human resources. So, the Labor Party's answer to address these problems is to split up Queensland Health. Somehow, that is going to solve all the problems that have been created.

In a recent newspaper report Ms Bligh is quoted as defending what are arguably—and I do not think that even anyone from the Labor Party in Queensland would argue with me on this—the worst health ministers Queensland has seen, that is, Stephen Robertson, Paul Lucas and currently Geoff Wilson. Ms Bligh says that it is not their fault it has all gone bad, it is somebody else's fault. What happens with Queensland Health is never the government's fault and never the Labor Party's fault.

This legislation that we are debating today appears because the Greens and the Labor Party are one and the same these days—they are both part of the same organisation—and they both want to remove private health insurance. This means that more and more people in my state of Queensland will have to rely on Queensland Health for their health servicing. That fills me with fear and trepidation because I know how badly run
Queensland Health is now under the Labor government, and it will get even worse when more and more people actually come into the system.

The litany of mismanagement in Queensland Health is breathtaking, although when you compare it with pink batts, dodgy school hall contracts, Green Loans that are then not Green Loans and solar panel rebates and subsidies that are cancelled ahead of time, perhaps it is not so surprising that Queensland Health is so mismanaged. The reason is quite clear, of course: you simply cannot trust Labor with money. Some of Labor are quite nice people but their experience in running business is usually that they went to university, they sat around the latte shops, they joined a union or they worked for another Labor politician, they had their seat bequeathed to them by a relative within the Labor Party and they came into parliament. Very few of them have ever had any real experience in real life. Certainly, you could count on one hand the number in this chamber—and I suggest on two hands the number in both chambers of this parliament—of those Labor Party people who have had any experience whatsoever in running a business and in financial management.

I suppose someone will say to me, 'Well, Senator Doug Cameron has been involved in business. He has been a director of one of those industry super funds.' I was not aware of this until I saw recently that the unions were actually suing some of the directors for the big fees that they get. Apparently it is a union thing that if you get money because you are appointed to boards because you are a union member that the money does not go in your pocket, it has to come back to the union. Some of the directors have not been—

**Senator Edwards:** Outrageous!
lot of very good arguments raised in this debate so far on why this legislation should be defeated—I call on Queensland Labor senators to cross the floor and vote against this. They know that this legislation, when passed, will throw extra burden onto a health system in my state of Queensland which is already unable to deal with the tasks before it. It is essential, I think, that I do call upon Labor senators from Queensland in particular to join us in defeating this bill so that the already overworked system in Queensland will not be further burdened because of the removal of the health insurance rebate.

Senator COLBECK (Tasmania) (15:58): I rise to make a contribution on the Fairer Private Health Insurance Incentives Bill 2012 and related bills. It is, I have to say, with a sense of deja vu. In the previous government, as shadow parliamentary secretary for health, I found myself debating exactly this topic only a very short period of time after the government had made a promise to the private health insurance industry that they were not looking to make any changes to this particular matter. In fact, I have kept a letter for posterity. I thought that we might have dealt with this issue. It was defeated a number of times during that period, but of course we know that the Greens and the Labor Party have a fundamental dislike of the private sector, particularly in health, so they would not be able to help themselves. They would have to revisit this again and again and again until they progressively dismantled what is recognised as a quality private health insurance system.

On 20 November 2007, when the then federal Labor leader, the member for Griffith, Kevin Rudd, wrote to Dr Michael Armitage, the chief executive of the Australian Health Insurance Commission, he said to him:

Thankyou for your letter of 29 October 2007 seeking clarification on Federal Labor's policy regarding private health insurance.

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates—

you would think that that is a reasonable commitment that would allay the fears of the industry—

including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians. Federal Labor will also maintain Lifetime Health Cover and the Medicare Levy Surcharge.

Labor will maintain the existing framework for regulating private health insurance, including the process for approval of premium increases. Zero per cent premium adjustment is not Labor policy … I trust this allays your concerns.

I think it might be safe to say that at that time it did, but it did not take long for the whole circumstance to change and for private health insurance to start to feel the heat of the Labor dislike for that part of the health system. If it were not for perhaps the greatest political lie, 'There will be no carbon tax under the government I lead,' this one would have to be up there.

I note the continued attempts by the Labor Party to continue to diminish the private health insurance system in the country. The absurdity of this is that effectively what they are doing is continuing to take money out of the health system. For every dollar in health rebate that they save, they take $3 out of the health system, because for every dollar that is contributed by the government there is $2 contributed by the private insurer. So they are actually diminishing the pool of funding available to health by $3 for every dollar that they take out, and that just does not make sense.

My colleague Senator Macdonald was just talking about the state of the health system in
Queensland. He should consider himself lucky that he is not in Tasmania, where the state government is taking $100 million out of the public health system. It is not taking people out of the back door. It is not taking out bureaucrats but closing down front-line public health services. It has carved back the elective surgery waiting list. In my region they were doing about 12 elective surgeries a week. They have cut that back to one or two. So here you have the federal government pouring money, so they tell us, into the public hospital waiting list process to reduce public hospital waiting lists for elective surgery, and you have the state government ripping it out at the other side.

But think of the impact of that on somebody who is waiting for that elective surgery. Think of an individual who is on the waiting list. When this process started, if they were, say, No. 36 on the list and there were 12 elective surgeries being done a week then they would be three weeks away from their surgery. That is something that you can foresee. That is something that you can understand: 'In three weeks time I might be having my knee surgery,' or something of that nature. 'I've got three weeks to wait before I go into my elective surgery.' But when it goes back to one a week they are suddenly 36 weeks away. The whole dimension changes—the proximity and the expectation. They then have to carry that for that 36 weeks if they retain their position on the list. They might be lucky—they might have an urgent case and they might get lifted a bit—but if the list runs the way that things are going then they are 36 weeks away instead of three weeks away. It changes the whole aspect of the way they are dealing with it. Yet this comes on the back of a promise by the Labor Party that they were not going to mess around with private health insurance rebates. People could feel comfortable! It is almost as though the Labor Party are trying to use the fear of the public hospital system to keep people in the private health system. 'Will I get that place in three weeks time, or 36 weeks time? Do I have to wait that long? Do I have to make that decision to protect the health of my family? So I'll have to stay in.' It just does not stack up.

We have seen a bloating of the public sector in Tasmania. We have gone from something like 16 public servants per 1,000 people to 20, a huge bloating of the public service. We have seen nearly a 20 per cent increase in public servants in the last five years in Tasmania as the Tasmanian government has filled up the back rooms, and that is all occurring at the expense of front-line services. So we are seeing a cutback in services not only in health but also in policing and all the other critical front-line services, including closing down schools. Yet it is on the back of continued promises and assurances that these things would be maintained at a federal level in relation to changes to the private health insurance system. There was a letter from the then aspiring Prime Minister, Mr Rudd, stating, 'Labor will maintain the existing framework for regulating private health insurance,' and saying that they were 'committed to retaining the existing private health insurance rebates'. Now we see them clawing it back and taking with it significant funding out of the health system. The one thing it does do is to continue to confirm that the Australian people cannot trust the Labor Party. I have mentioned one of the greatest political lies of all time—the Prime Minister's assurance that 'There will be no carbon tax under a government I lead'—but this is also a fundamental issue. We all talk to our electorates on a regular basis. We all communicate and source what the key issues are in our electorates, because that is part of our role; we want to maintain contact and we
want to understand what the issues are that concern our constituents. And health is always in the top two or three—it is always there—and people should be able to believe the assurances they are given by a leader when they say they will maintain the settings that exist around an issue as important as private health insurance. We do not want to go back to the circumstance of enormous pressure being placed on the public system because of an exodus of people from private health insurance. There is no way known that we want to see that circumstance occur. But people are being forced to exit private health insurance because they cannot afford it, because the government has taken away that bit of support at a time when our state governments are under so much financial pressure that they are cutting back on services. But then you place even more and inordinate pressure on the public health system because you are removing resources from the private health system. It just does not stack up.

They talk about egalitarianism and we talk about the wealthy making a contribution but we know that the wealthy already do make a contribution. Over a certain wage level, we all pay a Medicare levy. The more you earn, the more you pay. So, if you are earning more and paying more tax, you are making a significantly higher contribution. Then of course there is the Medicare surcharge, the additional surcharge of 1.5 per cent. So, to suggest that this is all about egalitarianism—those who can afford to pay paying a bit more—does not stack up when you actually look at the sums, because, if you earn more and pay more tax, that one per cent that you pay as your Medicare levy is more if you earn $100,000 than it is if you earn $30,000. It is simple mathematics. You are making a contribution.

So this tripe that gets run out by the government to suggest that we need to get those who are earning a bit more to make a bigger contribution does not stack up, because they are already doing that. What they are doing by taking out private health insurance is looking after their own families. They are making an investment in the assured health of their own families, but they are also making an investment in assisting the public health system. We know this, because colleagues around the chamber are talking about the stress on their state public health systems. Why would the Tasmanian government be taking $100 million out of the Tasmanian health system if it were not for the budget pressures and having beds put in storage away from the hospitals so the hospitals cannot use them if it were not for these pressures? And here we are debating in this place removing money from the health system. The government wants to save its contribution, the 30 per cent rebate. It wants to save that contribution but does not think about the other $2 it takes out of the health system for every dollar it saves. So they are taking out $3, in effect, for the $1 that gets saved by the removal of their contribution. It just does not stack up, and it penalises people who want to make a contribution themselves to look after their families and make sure they have prompt access to the health insurance system when they need it. They are already making a contribution to the public system through the Medicare levy. They are spared the surcharge if they are taking out private health insurance but they are actually making a contribution, and it just does not stack up after years of building a sound and solid private health insurance system that complements the public system. This is not a position of competition; this is about having a broad based health system that serves our community well.

It is not just highly-paid people who have health insurance; there are a lot of low-paid people who make the investment. They make
a value judgment to invest in private health insurance. At least they retain support under this process, but you really have to question how long that will last. We know that, all along, the Labor Party have had in the back of their minds, they have had in the bottom drawer all along, plans to start to chip away at the private health insurance system, despite the assurances of Kevin Rudd before the 2007 election. Kevin Rudd put it in writing to Dr Michael Armitage, chief executive of the Australian Health Insurance Association, that 'Federal Labor is committed to retaining the existing private health insurance rebates'. He made that commitment. Yet in 2008, not long after taking government, we saw the process commence: chip away, chip away, chip away, trying to diminish the availability of the services of private health insurance but forgetting that, as they do that, for every dollar they save they take another two out of the system—the ratio of removal of funding.

Now the Greens say, 'We'll just take it out and put it all into the public health system.' That just does not make sense but then the Greens were never very strong on, or really concerned about, economics. It does not surprise me that the Greens have teamed up with the Labor Party and effectively flipped on this, as they usually do. They will get their bit of publicity. They will go out there and get in front of the cameras and pretend they are holding out for something, but you can guarantee that, at the end of the day, on pretty much everything they will just flip across and go with the Labor Party. It is a real tragedy that we see such pressure placed on our public health system through the attempts to pull down the private health sector and the private health insurance system. Again, I come back to the circumstance at home where, as I said before, you are No. 36 on the list. That list goes from 12 a week to one, and you are more than six months away from your operation. That just throws someone's whole life out of balance if they are trying to access the public health system.

The security that private health insurance provides is something that we ought to be encouraging. We should be encouraging people to take out private health insurance, not putting in artificial barriers or saying, 'If you earn more than $150,000 as a family we're going to start to punish you as a family.' A policeman and a schoolteacher are effectively in that range. They are not considering themselves to be rich or wealthy people. They are probably doing it pretty tough at the moment. They are wondering whether the power bill that the government promised would only go up by 10 per cent due to the GST is going to go up by 10 per cent only—I am hearing figures of 18 per cent from industry as I go around the countryside. Yet here we are with the government prepared to give them another hit, to take more from them and to discourage them from looking after their family and their family's health. It does not stack up.

Why take away all this funding from private health insurance, and therefore the private health sector, at a time when, as Senator Macdonald has just said, the Queensland health industry is in strife? Senator Williams has indicated on a number of occasions how bad things are in New South Wales. They have a new government there that is trying to clean up the mess of years and years of Labor neglect. We have heard some terrible tales of things that have occurred in the New South Wales health system, and the state government is trying to pick it up and bring it back. In Tasmania, $100 million has been taken out of the front line of the health system in a small state. Putting beds in storage so that the hospitals cannot use them just does not stack up. At
the same time their federal Labor counterparts are taking money out of the private health system, which has the capacity, if sensibly managed, to take the pressure off the public health system and to allow people to get ready access to the services that they need.

When Kevin Rudd came to power after the 2007 election, one of his mantras was 'Let's use evidence based policy.' That has gone out the window. We are not seeing anything about that. We have gone back to the old Labor prejudices: 'Let's sting a bit from those who have worked hard to earn a bit more. Let's take a bit off those.' It is the old yarn: you can only take so much off the wealthy until they do not have any more, and then who are you going to get it from to give to the others? They talk about equity, they talk about all those values they say they have, but there is a whole heap of prejudice that sits behind that, one of which is their prejudice against the private health insurance system.

When you look at the fundamentals of what is being done here, as I have said a number of times, it really just does not stack up. They are taking away the capacity of people to look after their own families, to give them access to health services as they feel they need it, and they are thrusting them towards a state-level health system that is under real stress and having funding removed. As I have said, this does not make sense. It should not be supported. (Time expired)

Senator CORMANN (Western Australia) (16:18): This Fairer Private Health Insurance Incentives Bill 2012 and related legislation is Labor's latest attack against millions of Australians who take additional responsibility for their own healthcare needs by taking out private health insurance. Labor is anti private health and chances are that Labor will always be anti private health in the future. Being anti private health—and I am sure you will agree with me on this, Mr Acting Deputy President Cameron—is part of Labor's DNA. This Labor government is doing what other Labor governments have done in the past—that is, attack those Australians who take additional responsibility for their own healthcare needs by taking out private health insurance.

Under Medicare, every single Australian is entitled to free access to universal public hospital care. There are more than 10 million Australians who are prepared to put more of their own resources into the health system, and by taking out private health insurance they help to take pressure off our public hospital system, making sure that those Australians who really cannot afford to take out private health insurance have a good opportunity to have timely access to high-quality public hospital care.

The truth is that we need a strong health system, with a strong and well-funded public system as well as a strong and well-supported private system. As we consider our health policy settings in Australia, it is important that we get that policy balance right. When it comes to getting the policy balance right in the health portfolio, Labor has a very bad track record. If you look at the track record of the Hawke and Keating governments, for example, you will see that private health insurance membership collapsed on Labor's last watch in government, and public hospital queues and public hospital waiting lists continued to increase as more and more people joined those queues and waiting lists. Even the then Labor Minister for Health, Graham Richardson, recognised that, after 10 years of Labor Party government policy, after the Hawke and Keating years, Labor had got it wrong and that things could not continue the
The way they had been. It was Senator Graham Richardson who commissioned a review into private health and came up with a series of recommendations on how the balance in our health system could be restored. But then Senator Richardson was not able to get his proposals past the Keating cabinet. When he put to the Keating cabinet proposals on how the balance in our health system could be restored and how we could make sure that all Australians would have timely and affordable access to high-quality health care by making sure that we had a strong and well-funded public system and a strong and well-supported private health system, the cabinet told him where to go, and those proposals went into the Labor-ACTU bin. It is quite humorous if you think about it in retrospect. After Senator Richardson, who was health minister in the Keating government, took proposals to the cabinet on how the balance in our health system could be restored, the then Prime Minister told him to go and consult with the Labor caucus and the ACTU working party. Of course, they buried what were a number of sensible proposals to restore balance to our health system.

Private health insurance membership collapsed under Labor. It went from about 65 per cent to below 30 per cent before a coalition government was able to turn things around. It was the Howard coalition government that was able to restore the necessary and important balance to our health system. It was the Howard government that introduced a series of policy measures to stop the decline in private health insurance membership, to reverse the trend, and to make sure that more Australians who were in a position to afford it were prepared to put their hands in their pockets and put additional private resources into our health system so that all Australians had a better chance to have timely and affordable access to quality hospital care.

The measures that the Howard government put in place, the very successful policy framework that the Howard government put in place, was made up of three principal pillars. There was the Medicare levy surcharge, whereby those Australians who were judged to be able to afford private health insurance but did not have it would incur a tax penalty. That was the stick and then there was the carrot. The carrot was the tax incentive, the 30 per cent private health insurance rebate, for those Australians who took out health insurance. The third pillar was Lifetime Health Cover, whereby any Australian who did not join private health insurance until after they had reached 30 years of age had to pay a higher premium for every year after the age of 30.

The Howard government's policy framework was highly successful. It restored balance to our health system, it ensured that the dramatic decline—or collapse—in private health insurance membership in Australia was arrested and it made sure that more Australians were prepared to take additional responsibility for their own healthcare needs by taking out private health insurance. Today more than 10 million Australians are covered by private health insurance. Every single Australian who takes out private health helps to take pressure off our public hospitals and helps to make sure that all Australians are able to get timely access to high-quality public hospital care.

Given Labor's track record, the coalition were always very suspicious about what an incoming Labor government would do in relation to private health insurance. We knew that Labor hates private health. We knew that Labor in government would be likely to try and dismantle the successful measures that had been introduced by the Howard
government. We suggested that Labor in government would wind back the private health insurance rebate. Guess what? We were accused of lying to the Australian people. We were accused of misleading the Australian people. We were told, 'No, no, no, under no circumstances would Labor do any such thing.' Even after the election, as late as 24 February 2009, the hapless then Minister for Health and Ageing, Nicola Roxon, said:

The Government is firmly committed to retaining the existing private health insurance rebates.

It could not get any clearer than that. The day after that, on 25 February 2009, the then Prime Minister Kevin Rudd said:

The private health insurance rebate policy remains unchanged and will remain unchanged.

This followed emphatic pre-election promises in the lead-up to the 2007 election, when then Leader of the Opposition Kevin Rudd said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

That sounds pretty clear, but we wanted to make absolutely sure because it is known that the Labor Party is very good at tricky semantics, weasel words and trying to hide between the technical meanings of particular phraseology. We saw it from Senator Wong today in her answers about her involvement in the selection of the chair of the Future Fund. Labor is very good at trying to hide behind technical semantics and tricky language. It says things like, 'This isn't exactly what we meant,' or 'Saying we'd keep the rebate doesn't really mean we wouldn't means test it.' I go to another quote from then shadow minister for health, Nicola Roxon, when she was on Meet the Press on 23 September 2007. That was in the shadow of the 2007 election, about two months before the election. Steve Lewis said to Nicola Roxon:

Let's move to another integral part of the health system, the private health rebate, the 30% rebate. Labor has said "Yes, we will keep it," but you have not said whether you will keep it in total. Can you say now that Labor, if elected, will maintain all of the ancillary measures that encompass the private health rebate?

Nicola Roxon answered:

Yes, I can. We've committed to it. We've committed to the 30%. We've committed to the 35% and 40% for older Australians. It's similar to this safety net. We know that many people rely heavily on the assistance that is now provided and would not be able to have private health insurance if that rebate wasn't paid.

I could not have put it better myself. And on she went:

And lifetime health cover and others that go with it, we are committed to those. We understand that Australia now has a mixed health system, both private and public, and we need them both to be strong in order for the community to be able to get the services.

Very clear, very emphatic. Steve Lewis asked a follow-up question:

So you will not wind back that 30% private health rebate, despite the fact that Labor has been ideologically opposed to it in the past?

Ms Roxon's answer was:

No, we won't.

You cannot get a more emphatic promise than that. The only more emphatic promise that I can remember in recent times is the promise by the Prime Minister of Australia, five days before the last election, that 'there will be no carbon tax under a government I lead'—and we know what happened to that.

We know that that Prime Minister Gillard before the last election misled the Australian people, the same as Labor has misled the Australian people for years on end about
their true intentions in relation to the private health insurance rebate.

The reason the coalition is opposed to this legislation is because we understand that this is bad public policy. Any policy that makes it harder for people to take additional responsibility for their own healthcare needs by taking out private health insurance is bad policy. Any policy that will push up the cost of private health insurance for millions of Australians is bad policy. Any policy that will see more Australians leave private health and join the public hospital system is bad public policy. Any policy that will see Australia re-enter the spiral that we experienced under the last Labor government, when private health insurance membership across Australia collapsed, is bad public policy.

Senator Colbeck in his remarks earlier was quite right: we should be doing more to encourage more Australians to take additional responsibility for their own healthcare needs. We should be doing more to encourage more Australians to take out private health insurance. We should not be making it harder for people to remain in private health. Let me just address here one of the myths being peddled by the Labor Party. The Labor Party wants us to believe that somehow private health is only for the rich. Nothing could be further from the truth. Hundreds of thousands of people earning less than $50,000 per annum have private health insurance. In fact I will just go to the figures: 5.6 million people with private health insurance have an annual household income of less than $50,000 per annum and 3.4 million people have an annual household income of less than $35,000 per annum.

The government will say: 'We aren't targeting those people. Those people won't be punished by having their rebate taken away. They'll still have the rebate.' The problem is that, with millions of Australians having their rebates scrapped altogether or dramatically reduced, health insurance for those that lose the rebate will go up automatically, without anything else, by 43 per cent, and every single one of the lower-risk people who perceives that health insurance has become too expensive for them to continue will put upward pressure on premiums for everyone else including those low- and middle-income Australians who every year struggle with the decision to put their money together to pay for their annual private health insurance.

This of course will hurt all Australians who are in desperate need of timely access to public hospital care, because they will have to now compete with the increasing number of Australians who in the past would have been covered by private health insurance. This is very bad public policy. It is policy that Labor has pursued in the past. The point I would make to the Labor Party is that, if you do not learn from history, you are forced to repeat it. Those are not my words—I have just borrowed them; I do not quite know who first said them—but it is something that the Labor Party should carefully reflect on.

The point is this: our policy objective in the health portfolio should be to come up with a policy framework that ensures all Australians can have timely access to high quality hospital care. In order to achieve that in a way that is affordable for the taxpayer, we have got to make sure that we have got a sensible balance between a strong and well-funded public system and a strong and well-supported private health system. We need to have a policy framework where those Australians who can afford to take out additional responsibility for their own healthcare needs have both the incentive to take it out and the disincentive not to take it out. That is where the Howard government's policy framework on private health insurance
was so successful. Clearly, the Labor Party knew in the lead-up to the 2007 election that not only had it been very successful, it was also very popular. Why else would the Labor Party have bent over backwards again and again, making the most emphatic promise possible that they would not touch the private health insurance rebate, that they would retain the existing private health insurance rebate in its current form? Labor well understood that it was a policy that had worked and a policy that was popular with the Australian people.

I say to the Labor Party: stop making Australians who take additional responsibility for their own healthcare needs pay for your waste and mismanagement over the last four years. Australians know that the Labor Party in government always stuffs up our public finances. Australians know that after a period of Labor in government it is always incumbent on the coalition to come back and fix up the mess. But don't make Australians who are putting their own private money into our health system pay for your wasteful spending, for your waste and mismanagement. Just because Labor is not able to balance its books, just because Labor delivers deficit after deficit and has taken our debt position back up to $133 billion, do not pursue policy that will ultimately be counter-productive; do not pursue policy that will ultimately increase the costs of providing affordable health care to all Australians. This is a path that you have gone down before. It has ended in tears before. You should learn the lessons of the past. If I can give the new Minister for Health, Tanya Plibersek, some advice: she should sit down with former senator Graham Richardson, a former Minister for Health, who commissioned a comprehensive review into private health insurance back in 1993 at the end of 10 years of failed Labor Party health policy, and consult with him about the implications and consequences of Labor's failed approach to health policy so she can learn from Labor's mistakes of the past. She should reflect on how successful the Howard government's policy framework in support of those Australians taking out private health insurance has been and reconsider her approach.

My advice to the Senate is that this legislation should be rejected. We should vote against it. It is bad policy. It will see the cost of health insurance go up, it will see more people leave private health insurance and it will put more pressure on our public hospitals. It is not a good policy and the Senate should reject it. (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (16:38): The legislation that the Senate is considering to abolish the private health insurance rebate is but the latest installment in the Australian Labor Party's assault on the Australian middle class. For as long as I have been a senator, I have listened wearily to Labor politicians like Senator Kim Carr over there claim that the Labor Party's purpose is to look after struggling disadvantaged people and I have heard Labor politicians mock my side of politics and say we look after the interests of the well-to-do. But, if you look at this piece of legislation, nothing could be further from the truth because we in the coalition stand with ordinary Australians, everyday Australian families, middle-class Australians, working-class Australians, Australian working families who want to be able to have affordable private health insurance, and the Labor Party stands resolutely against the interests of those people.

Senator Cormann quoted some figures, and forgive me for repeating some of the observations that he made but they cannot be said often enough. The fact is that
Australians want private health insurance: 53 per cent of Australians, 12 million people, have private health insurance. They are not the wealthy. I am sure most wealthy people have private health insurance, but the proportion of the private health insurance holders in Australia who could be regarded as wealthy or well-to-do is miniscule. The vast majority of Australians who have private health insurance are middle-class people, working people, working families who do not want to be reliant on the state, who do not want to be reliant on a state system, who want to look after themselves, who want to look after their children and who are prepared to make the extra sacrifices, work the extra few hours a week of overtime, to make that possible. They are aspirational Australians, not the well-to-do, not the toffs that you, Mr Acting Deputy President Cameron, occasionally mock, but everyday people. This is an attack on them. It is an attack on their wellbeing, it is an attack on their standard of living, and it is unconscionable.

Not only do 53 per cent of Australians currently have private health insurance but 46 per cent of Australians, almost as many, have hospital treatment cover and, of the people who hold private health insurance, 5.6 million—almost half of them—have annual household incomes of less than $50,000. When almost half of the people who make the sacrifice to pay for private health insurance are earning less than $50,000, what clown—what socialist dreamer—could possibly say private health insurance is the preserve of the wealthy? The whole point of having a private health insurance rebate is to make it affordable to as many people as possible down the income scale. That is why almost half of the people who hold private health insurance earn less than $50,000 a year. It is because coalition governments in years gone by have made it affordable for them.

This Labor government, which was elected in 2007 on the claim that it represented the interests of Australian working families, will make it harder for those poorer Australians—those less well off Australians—to be able to afford private health insurance. So much for the pieties and the crocodile tears of the Australian Labor Party about the interests of less well off Australians. Not only do 5.6 million of the 12 million Australians who hold private health insurance have incomes of less than $50,000 but 3.4 million of them—between a quarter and a third—have an annual household income of less than $35,000. I am sure we all know people—members of our families, people in our neighbourhood, people we know through the workplace—who struggle to keep private health insurance going because they do not want to be dependent on a state system. What an insult to those people, particularly coming from a party that falsely claims to represent the less well-to-do. What an insult to those people to say: 'We will make it less affordable for you. We will force you to be dependent on the state system when you would wish to look after yourself by paying that extra little bit of money for private health insurance.' What an insult to the poor, Senator Kim Carr. What an insult to the strugglers. What an insult to working families of Australia. And yet you sit there complacently, pleased with yourself, thinking that somehow, in some perverse way, this will advance social justice. It does not advance social justice, Senator Carr, to make life harder for poorer people, and that is what this will do. It will make life harder for poorer people. What a disgrace.

Not only is this measure profoundly inequitable—the reverse of social justice—it is also, as Senator Cormann pointed out, bad policy. What it will do is not merely make
private health insurance less affordable to poorer people by driving up the cost of premiums; it will force more people into the public system and drive up the cost burdens on the public system. How foolish can that be at a time when there are enormous cost burdens on the health and hospital systems of Australia? And those burdens are escalating with every passing year. We have a measure which will make self-sufficiency harder by making it more difficult for people to insure themselves and, therefore, drive them into the public system, therefore increasing the costs of the public system. So whatever budget savings it might be imagined would be clawed back by this meretricious, dishonest and foolish policy are going to be but a fraction of the additional cost burdens imposed upon the public system and imposed upon public hospitals. What a foolish piece of public policy that is. It is a lose-lose proposition. You make less-well-do and poorer people poorer still, you make them dependants upon the state when they wish to be self-sufficient and you impose greater cost burdens on the state system so the state system into which these people have been thrown against their own wishes can less easily cope with that additional burden. So the overall quality of health care in Australia deteriorates. What an extraordinarily inept piece of public policy.

Not only does this measure suffer from the vice of being unjust because it punishes the least well-off people in our country; not only does it suffer from the vice of being foolish public policy because the outcome that will result is the opposite of the objective the policy seeks to serve, which is making the health system more efficient; it is, of course—and this is such a familiar refrain from the Rudd and the Gillard governments—built on a lie. Let us remember who it was who said: 'There will be no carbon tax under the government I lead,' and then introduced the world's greatest carbon tax and congratulated herself on doing so, celebrating her blatant deception of the Australian people by high-fiving her ministers on the floor of the House of Representatives, in one of the most shameful episodes in the history of Australian democracy.

Senator Sinodinos: Shame!

Senator BRANDIS: Thank you, Senator Sinodinos. That was the current Prime Minister, Julia Gillard. Who was it who deceived Mr Andrew Wilkie over poker machine reform and the undertakings that she made to him about poker machine reform the moment she felt she did not need his vote on the floor of the House of Representatives because she had bought the vote of Mr Peter Slipper? The current Prime Minister, Ms Julia Gillard.

The ACTING DEPUTY PRESIDENT (Senator Cameron): I think you should withdraw that. You are reflecting on a member of the other house. You should not do that.

Senator BRANDIS: I withdraw. Let me rephrase that: had by means about which we can only speculate secured the vote of Mr Peter Slipper. It was the current Prime Minister. And Mr Andrew Wilkie said that he realised that he had been deceived.

This Prime Minister, who lied to the public about the carbon tax, who deceived Mr Andrew Wilkie about poker machine reform, is at it again, because this measure is a flagrant violation of the most emphatic and unambiguous commitments given to the electorate. Senator Cormann read some of those commitments onto the record. Let me read them myself. This is what Ms Gillard wrote to the Australian newspaper in the last term of the coalition government. Referring to a letter by the then health minister, Mr Tony Abbott, which claimed that a Labor
government had a secret plan to scrap the private health insurance rebate, she said:

The truth is that I never had a plan to scrap the private health insurance rebate ... For all Australians who want to have private health insurance, the private health insurance rebate would have remained under a Labor government. I gave an iron-clad guarantee of that during the election. ... when I make ironclad commitment I intend on keeping it.

That is what this Prime Minister's word is worth. She attacked Mr Abbott, then the health minister, for suggesting that she planned to do the very thing that she is now doing and, with mock outrage, she claimed that she was being misrepresented. We now know the truth.

This is what the then health minister, Ms Roxon, said in more recent times. On 24 February 2009, in the Age newspaper, she said: 'The government is firmly committed to retaining the existing private health insurance rebates.' In a media release issued by her office on 26 September 2007—just before the election of 2007, when the Labor Party came to power—she said:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates ...

During the 2007 election campaign, when interviewed on Meet the Press, Ms Roxon was asked by journalist Steve Lewis whether she committed to retaining, on behalf of the Labor Party, the private health insurance rebate. She said:

Yes, I can. We've committed to it. We've committed to the 30 per cent, we've committed to the 35% and 40% for older Australians. It's similar to the safety net. We know that many people rely heavily on the assistance that is now provided and would not be able to have private health insurance if that rebate wasn't paid. And lifetime health cover and others that go with it, we are committed to those. We understand that Australia now has a mixed health system, both private and public, and we need them both to be strong in order for our community to be able to get the services.

This is what the then leader of the Labor Party, Mr Kevin Rudd, said a week before the 2007 election:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates—

There are no weasel words here. There is no room for ambiguity or confusion. It was, as Ms Roxon said, 'crystal clear'. It was, as Ms Gillard said, 'iron-clad'. It was, as Mr Rudd said, a 'clear' commitment that the Labor Party would leave the private health insurance rebate alone.

And what are we doing this afternoon? We are debating legislation that was introduced by a government that is now presided over by Ms Julia Gillard, and in which Ms Nicola Roxon continues to sit at the cabinet table, to do the very thing they gave a crystal clear, ironclad commitment never to do. It does not get much more shameless than that. It is no wonder that, as measured by empirical data, opinion polls, anecdotal evidence or whatever, so few people respect this Prime Minister. The reason is that the Australian people know she has not only misled them but also serially misleads them. They know that misleading the people is part of the political practice, part of the modus operandi, part of the playbook of this Labor government. It is disgusting, it is dishonest and it is deceitful, but it is the way this government does business.

We in the Liberal Party will oppose this legislation tooth and nail because it is dishonest, because it is bad policy and because it is socially regressive. Why should the least well-off people in this country lose one of the benefits for which they are
prepared to work those extra hours and which means so much to them, to their sense of wellbeing and to the security of their families? Why should this government be allowed to reverse a policy commitment that it gave in evident good faith, in unambiguous words and with its hand on its heart, only for the people to discover that they have been deceived? Why should Australians settle for an inferior healthcare system? Why should Australians settle for overburdened public hospitals? Why should less well-to-do Australians be put in a situation where they can no longer afford their private health insurance cover—cover that they want and that they sacrifice for—because the government lied to them? Why should they put up with that? They should not put up with that. I am sorry to say that this is—like the carbon tax and so many other things—the most recent episode of shameless, callous, cold-blooded duplicity and falsehood which has been the modus operandi of this Labor government. (Time expired)

Senator SINODINOS (New South Wales) (16:59): I rise to join the debate on the Fairer Private Health Insurance Incentives Bill 2012 and related legislation. I begin by taking up a point that was raised by my colleague Senator Cormann in his contribution. He referred to a report from 1993 commissioned by—I think he would have been the Minister for Health—Senator Graham Richardson that was about private health insurance. That report found that coverage in the community of private health insurance had fallen to very low levels. We are talking about participation rates in the low 30s from memory. At the time I thought it was remarkable that the Labor government had commissioned such a report, simply because there had been a history of Labor, with almost a malignant neglect, seeking to reduce the private health insurance sector in Australia to something of a rump. It was heartening that he did that because that encouraged a debate in the community about private health insurance and the coalition went to the 1996 election with promises around a private health insurance incentive. Over the next few years that became a private health insurance tax rebate, which essentially is the measure we are talking about today in this series of bills before the Senate.

The point to be made about that measure is that it was quite deliberate, quite calculated and had a policy rationale. It was not simply a handout to the big end of town, as some people are alleging. The whole purpose of the incentive was to encourage people to exercise greater choice and to facilitate that choice. Just as we sought to do that in the education system—that is, the split between public and private schools and the assistance governments give to independent schools—so it was in the case of health: we were seeking to provide an incentive which facilitated choice. This had a benefit to the health system as a whole—that is, to take pressure off the public hospital system. That was the rationale in part for the measure. It was to provide a form of tax relief in its own way, but it was also to provide a measure to encourage the greater use of the private hospital system and to reward people who put their own resources into private health insurance. It encouraged a greater pool of people into private health insurance and it restrained the growth in premia and the like. That was important because the bigger the insurance pool, the more you can restrain the growth in the costs of premia.

We have a situation today where the government has decided, allegedly on budgetary grounds, that it must do something about this particular measure. I dispute that the government is doing this simply on
budgetary grounds. I believe there is a history of Labor wishing, if not to negate this measure entirely, then at least to substantially cripple it. If we go back to when Labor went into opposition in 1996, there was a history of them attacking our initiatives around private health insurance. I believe that was driven by ideological considerations around their concern or their support for the public hospital system. We all support a strong and viable public hospital system, but we need to have other strong pillars to the health system and having a viable and strong private health system is one of them. So Labor for a long time opposed what we had done in government on private health insurance, but, as my colleagues have read onto the record, Labor increasingly came to the view that it was not politically sustainable to keep attacking this private health insurance incentive. From the 2004 election onwards, after the ill-fated experiment with one Mark Latham, Labor realised that having a hit list of independent schools was not a good way to show that it was for the community as a whole rather than sections of the community. It is important to put some ideological context around this: that there has for a long time been a view within Labor that the private health insurance system should be gutted or crippled.

Finally, there is a mechanism here in these bills which seeks in part to achieve Labor's objective. I do not believe it will end private health insurance as a whole, but it will significantly dent it and it will dent it by making cover ultimately more expensive and reducing the pool of people who are covered or who downgrade their cover. That will be to the cost of not only those people who, as Senator Brandis said, have been saving their money in order to afford such health insurance, but it will also be at a cost to the public hospital system, which will be under greater pressure. This is an important point because the health reforms that the Labor government introduced under the rubric of the Council of Australian Governments in recent years do not in any way have a structural reform component to them. I do not believe they will lead to better health outcomes. We have a situation where the pressure on the public hospital system as a result of Labor's health reforms will not abate and we are adding to that pressure by taking this incentive away.

This is one of a series of measures which this government has taken to means test various benefits. There is a rationale for means testing. We cannot offer everything to everybody and means testing has its place within the social security system and the like. The fact of the matter is we do not want millionaires to get pensions and the rest. However, this increasing trend toward means testing is starting to butt up against another objective of all governments which is: how do we reduce effective marginal tax rates? What is happening with more and more means testing as we go up the income scale is that we are adding more and more of these poverty traps into the system. There was a very good article written recently by Judith Sloan in the *Australian*, which went through the impact this sort of means testing on effective marginal tax rates. In brief, it means that, when we are means testing on family income as a whole, there is often then a disincentive if we increase the means testing for the secondary income earner—often the woman in the household—to cut back their hours of work because the family as a whole find that they lose income if they undertake more work. They start to lose income that comes through government benefits and the like, including incentives of this sort.

We have to look at this issue of private health insurance not only in the context of
the merits of the debate around the contribution that governments make to the health system, but also in the context of the macro implications for the tax and transfer system. I believe that the Treasurer, Wayne Swan—someone who in the past has professed great support for tackling these sorts of poverty traps and high effective marginal tax rates—is undermining one of his own objectives by measures of this kind. My view has always been that if you want to tackle what you broadly describe as allegedly middle-class welfare by taking benefits away, means testing and all the rest of it, you should be compensating those people by at least reducing tax rates so that you improve incentives to work and save. That would be a much more balanced system, but that is not what we are doing here. This is essentially an ideological measure dressed up as a budgetary measure. Part of the sleight of hand in this process has been to prevent the cost of the private health insurance incentive, if it were allowed to keep on going over the next 30, 40 or 50 years. Of course, I could sit here and go through every element of the budget and do a similar analysis of the cumulative cost, whether it is the age pension, assistance to the automotive industry, assistance to other sections of the community—

Senator Mason: Higher education.

Senator SINODINOS: Higher education. You could come up with a humungous number. On the other side of the ledger, I could go through tax revenue and accumulate that over a period and come up with a humungous number.

Yes, there are budgetary pressures that come over time from growth in all sorts of budgetary outlays, but that of itself is not an argument for choosing to cut back one outlay rather than another. There has to be a policy rationale for what you do, and what I am arguing here is that the rationale is more ideological than it is essentially budgetary. Why ideological? I mentioned earlier the longstanding antipathy to these sorts of measures which promote greater choice between public and private sectors, but there is another element to this, and that element has been added by none other than your distinguished colleague, Mr Acting Deputy President Cameron, the Treasurer—it is his Monthly essay, his vituperative attack on three Australians who are risk takers and entrepreneurs out there earning their keep and providing jobs for their fellow Australians.

What I found remarkable about that contribution is that it was a deliberate attempt to set one Australian against another. It was a deliberate attempt to set allegedly working-class Australians and middle-class Australians against other Australians. I thought it was deplorable for that reason, because what unites most Australians today is a set of aspirations. We all want to do better. We do not want to be penalised for having a go. Having a go is as important to us as a fair go, and I thought that essay highlighted that the Treasurer was interested merely in seeking to stoke the politics of envy for reasons perhaps related to trying to get the public debate off the leadership crisis in the Labor Party and onto more fertile territory.

The ACTING DEPUTY PRESIDENT (Senator Cameron): Senator Sinodinos, can I draw your attention to standing order 193. You are getting very close to an imputation of improper motives against the Treasurer, so I just draw your attention to that.

Senator SINODINOS: I appreciate that, Mr Acting Deputy President. I would never want to impute impure motives to such a pure individual as the Treasurer. But may I
say that this particular measure does smack, in part, of the politics of envy. The point I was making is that it seemed to be part of a suite of measures and seemed to be in part authored by a Treasurer who seems to be very keen on the politics of envy.

The coalition has always believed that choice is important, in both health and education, and I believe this measure is one that appeals across the various income groups in the community. My colleague Senator Brandis spoke about the number of low-income Australians who use the private health insurance incentive or have private health insurance cover. Indeed, to go through some electorates close to my own heart, let me start with the electorate of Dobell. In Dobell, 46.1 per cent of voters have private health insurance—not 20 per cent, not 25 per cent, but 46.1. The number of persons covered by private health insurance in that electorate is almost 60,000 people. In Robertson, another fine upstanding electorate, 55.5 per cent of voters have private health insurance. The total of persons covered with private health insurance in the electorate is 73,869. That is a lot of Australians in Robertson who are covered by this measure.

If I go to a safer Labor seat, Blaxland, once occupied by the Hon. Paul Keating, 42.7 per cent of voters have private health insurance. The total of persons covered by private health insurance in the electorate is 60,516. In the seat of Grayndler, the cradle of Anthony Albanese, 60.1 per cent of voters have private health insurance. It is even higher than those seats on the Central Coast. The total of persons covered by private health insurance in the electorate of Grayndler is 77,898. They are the people who the Hon. Anthony Albanese is going to be harming through this particular measure. If we go to Hunter, a safe seat in the Hunter Valley, 51 per cent of voters have private health insurance. The total of persons covered by private health insurance in the electorate is 66,346. In the seat of Newcastle—a good working-class seat; I was born in Newcastle—55.2 per cent of voters have private health insurance. The total of persons covered by private health insurance in the electorate is 69,726. In the seat of Shortland, next door, just to round it off, 50.8 per cent of voters have private health insurance. The total of persons covered with private health insurance in the electorate is 65,971.

People scrimp and save to have the peace of mind of private health insurance. And what we are talking about here is not some select group people in Vaucluse, Toorak or the relevant parts of Adelaide or Perth—Peppermint Grove or wherever. We are talking about a swathe of people in a swathe of electorates who would be disadvantaged by this particular measure going through. So I stand up here disillusioned with the promises Labor made that it would retain the private health insurance incentive. I am very disillusioned and concerned about the deterioration of the risk pool and the impact that that will have on upward pressure on premiums for all 12 million Australians with private health insurance, with more people forced to utilise overstretched public hospitals.

After years of waste and mismanagement Labor is hiking prices for working Australians to pay for their own budgetary and other shortcomings. My concern here is that, at a time when the cost of living is without a doubt the No. 1 issue in federal and state politics across the country, here we have a government adding to the cost of living. We have already had initiatives around the carbon tax, which will add to the cost of living—and may I say that the evidence mounts every day that those costs are going to be higher than the government
has estimated. Already we have received information around increases in landlord leases and the like, reflecting an increase in the carbon tax going through their books. What we have is a tax that will cascade through the stages of production. It is not a GST, where there is only a price effect on the final consumer; it will cascade through the various stages of production. The cost of living is being exacerbated and then we have other measures like the private health insurance incentive means testing that we are talking about here today, which will add to that as well.

I come back to a point I made earlier: the government is in danger of creating even further poverty traps and even further entrenching effective marginal tax rates up the system. The main impact of that would be on secondary income earners in families. I do not believe this was a tough decision for Labor to take. We get a lot of breast-beating and braggadocio about tough reforms and tough fiscal decisions. This was not a tough decision for Labor to make, given its history of promises to remove the private health insurance incentive in the past. It backflipped on that promise and then said, hand on heart, that it would keep it. Sadly, that promise as well has not been kept. It is one of a number of promises that have not been kept.

They can say that they were mugged by reality on the first day of coming to government. We are not talking about that; we are talking about attempts to do this some years after coming to government. The only other explanation I can think of is that, apart from the ideological intent behind this measure, budgetary pressures forced the government into taking these measures. All I can say is: if only the government had listened to the coalition at the time of the global financial crisis! We supported the first round of stimulus but we were prudent, we wanted to wait, because it was clear Australia was not going to be affected in the same way as other countries. We were prudent then and we have been proven right by history in that regard. Unfortunately, Labor put into the system a whole series of programs. For example, with Building the Education Revolution, there are still schools around the country receiving grants. Once the program was implemented it was very hard to stop. We all acknowledge that, but the point is that it can no longer be presented as a fiscal stimulus program, continuing as it does at a time when the economy has been in more than recovery mode.

Sadly, we were saddled with a much bigger debt and deficits coming out of the global financial crisis than were necessary, and that has necessitated the government taking all sorts of measures. Yet, disappointingly, last year when there was a window of opportunity for the government to take more stringent budgetary measures, they squibbed the opportunity to do so. There were $22 billion worth of savings in last year's budget but $19 billion worth of new spending, so the net bottom line contribution over the forward estimates was $3 billion.

People say, 'Okay, what's the coalition committed to doing?' The coalition is committed to restoring this sort of measure as soon as it is affordable. We see it as having a policy rationale that is robust. We want to maintain a strong private pillar in the health system and we believe that is going to benefit the health system as a whole. We believe that, if we can come to power within 18 months, there is sufficient time to reverse this measure and some of the damage that will be done in the meantime to the health system as a whole.

I call on the government, if they are serious about health reform, to also review the COAG health reforms that they have put into the system. I do not believe, as I said
earlier, that these reforms will necessarily lead to structural change in the system in the way that we want. They will not restrain the growth in health costs or improve health outcomes. I call on the government to take a more comprehensive approach. It is a pity that the government did not respond to our calls for a committee to further review this legislation and perhaps have a broader overview of what can be done to promote a better, more affordable and sustainable health policy going forward.

Finally, Mr Acting Deputy President Cameron, I did not have the opportunity to check out what the private health insurance statistics may be around places like Springwood in the seat of Macquarie. I am certainly going to make it my business to do so and to remind people in that electorate that it is very important for them to maintain their private health insurance and the impact that this measure will have on their capacity to do so.

Senator McKenzie (Victoria) (17:19): I too rise to speak on the Fairer Private Health Insurance Incentives Bill 2012 and related bills. I note and share Senator Sinodinis's disillusionment, and I am sure all coalition senators have shared it as we have debated these bills in the Senate over the last couple of days. The minister, when introducing these bills in the House of Representatives, said that this was going to lead to a fairer and more sustainable health system. That is just a misnomer. There is nothing fair, or equitable or sustainable for the health system and for those using it in this nation. Our health system is the envy of the world. Everything that we need to be doing in this place and in our states is to focus on ensuring that that stays the case.

The government is planning to means test the private health insurance rebates and, at the same time, approve a premium rise. Families are already doing it tough in these hard economic times. These are families who, in a few short months, will be facing the effects of a carbon tax which will be, as Senator Sinodinos said, cascading right through our economy—from our primary producers producing our milk, to the tankers picking it up and delivering it to the milk processors in the regions, right the way through to the refrigerators that are refrigerating it on its way to the nearest supermarket in our capital cities. All the way through, that supply chain will be bearing an extra cost.

It is not fair at all that hardworking families in regional areas and right across our nation who have taken the tough decision to take out healthcare cover are now going to be slugged for the privilege. In 2009 the then health minister, Minister Roxon, said that the government is firmly committed to retaining the existing private health insurance rebates. We are not at all surprised that there has been another backflip by a minister from this government, another betrayal of the Australian people by Labor. People who have sat down around the kitchen table and worked out their family budget—'Will we go overseas on that holiday, will we go to Queensland or will we go camping down the coast and keep our private health insurance?'—have had the conversation and kept the insurance only to find that they are not going to be supported in that decision. It is yet another example of the Labor government doing something in haste without considering the impact and without thorough investigation. The government is obviously having a bet both ways.

The means testing of rebates will be effective on 1 July, and as a result the average middle-class family will see a reduction in the taxpayer refund against the cost of their private health cover. The more they earn, obviously, the more they will pay.
Fifty-two percent of Australians hold private health insurance, including about 40 per cent of Australians in regional areas. Sixty-five per cent of those living in the electorate of Mallee in Victoria hold private health insurance. It might seem counterintuitive—there are not a lot of private hospitals out there in the regions. Why would the vast majority of regional Australians, particularly those in Mallee, hold private health insurance? It is because it supports the public system, and regional Australians understand that. They understand that to keep their specialists heading out our way they need to be able to charge private rates. They are only going to be able to charge those if people out there in the regions hold private health insurance. Describing these hard-working Australians as 'millionaires'—like it is a dirty word—shows how out of touch this government is with the day-to-day struggles of working Australians. Penalising people for taking responsibility for their own health care makes no sense. This is in addition to taxation they are already paying with the Medicare levy. Once again, as they earn more, they pay more.

The health system is multilayered, and funding it is a complex issue. But there is a simple logic to the statement that, if you drive people out of private health insurance and they end up in the public system, it simply puts more pressure on that system and on our already overstretched public hospitals. If you drive healthy young people out of private health insurance—if those under 30 are making decisions about whether they are going to take it up or not—everyone’s premiums will go up.

Why do regional Australians bother taking out private hospital cover if there are fewer hospitals? They are insuring against catastrophe, like anyone else who takes out insurance. They want to ensure that they can access a variety of health services—obviously, at their own public hospital in their own regional centre but, if something goes wrong, they want to be able to ensure that they and their loved ones can access the specialist care that they need. That may be 200 kilometres down the road or it might be 1,000 kilometres down the road. Regional people understand that it means going to either a regional centre or a capital city for treatment. They still want the peace of mind of their choice of doctor and no waiting list.

Many people also have a sense of obligation. Many believe that if they can afford private health insurance that they should, wherever possible, leave those beds for public patients. It is well known out in the regions that private health insurance is what keeps our public hospitals going. Typically, private hospitals in regional centres have lower occupancy rates—meaning that they operate on wafer-thin margins. Any erosion in those rates will be magnified in regional hospitals and will be likely to force cuts to services or potentially cause some private hospitals to close their doors entirely. Those people using the private services in regional areas are relying on them for repeat admissions over a course of treatment and for ongoing health conditions. Those families can ill afford to lose the benefits they have accessed for over a decade, and will be devastated to see them pared back.

Another issue is that of the visiting specialists who visit regional private hospitals. Any tinkering with the rebate that causes a cutback in demand in regional private hospitals will flow directly to the specialists, who will retreat to the cities, denying regional patients local access to the expertise and services they need and forcing those patients to travel further and at greater cost for consultations and treatment.
Another issue that I would like to briefly touch on is something that people have mentioned consistently, and that is just what a poor public policy response this government has. We on the coalition side are not surprised that this government is just pursuing middle-class Australia and whacking those who can least afford it, because they see it as a cheap and easy way to make up for Swannie's surplus misadventures. I just think it is—

The ACTING DEPUTY PRESIDENT (Senator Cameron): Order! Senator, you should use the proper title. You should not use that type of language.

Senator McKENZIE: Sorry. I apologise, Mr Acting Deputy President. The Treasurer's surplus misadventures. It is poor policy, as many of my coalition colleagues have outlined. We will not be voting for it. The continual disrespect that this government has for regional Australians beggars belief.

Senator HUMPHRIES (Australian Capital Territory) (17:28): When I was young, I recall playing a game that my parents bought me one Christmas. I forget what the game was called, but there was a vertical column and there were marbles in the top of this column. There were sticks that went horizontally into this column and the idea was that each player in turn withdrew a stick from the column and hoped that they were not the one that released all the marbles into the bottom of the column. The name will come to me at some point—probably later in the speech, so I will leave members in suspense until I can think of it. Obviously, nobody else in the Senate at the moment played that game and they cannot refresh my memory.

The ACTING DEPUTY PRESIDENT (Senator Cameron): Senator Humphries, I have been advised that it was called Ker Plunk!

Senator HUMPHRIES: Thank you very much Mr Acting Deputy President. You obviously were not playing it yourself—it was not a popular game in Scotland, no doubt. Or you were too young—or possibly too old? I would not venture which that might be—but thank you. The game springs to mind in the course of this debate because it rather seems to me that the federal Labor government is playing a game of pulling out a stick from this structure of public and private hospital and health infrastructure in Australia—a stick worth $2.8 billion over the forward estimates. It is hoping—it is not necessarily very sure, but it is hoping—as it pulls this stick out that somehow the marbles do not fall and that the people in the private health system who have private health insurance and who are taking a load off the public hospital system at the bottom of the column do not cascade down into the bottom of that column. That gamble is—

Senator Polley: What about the effect of the $1 billion Tony Abbott ripped out of health?

Senator HUMPHRIES: I am happy to defend against that fallacious argument. There was no $1 billion ever taken out of the public hospital system or the public health system of Australia by Mr Abbott or anybody else in the coalition government. But, to stay with my point, we have a situation where the federal government have determined that they can withdraw that amount of money and they are hoping that it will not have serious consequences for the quality of the public hospital system in our country.

They have conceded, I suppose, that at least one marble will fall. The government say as a result of their own modelling that 27,000 people will drop their cover as a result of this measure. Let us call that one marble dropping to the bottom of the
column. If that were the case, the gamble might have paid off at least partly. But we have among the range of estimates of what will happen if the federal government withdraw that $2.8 billion other much less rosy scenarios or predictions of what will happen. I note that the government's own medical insurer, Medibank Private, estimates that 37,000 of its members alone are likely to drop their cover and a further 92,500 will downgrade their health coverage, most likely by dropping out of hospital cover. Deloitte have done their own work. Their estimate is very sobering. They estimate that in the first year alone of this new scheme 175,000 people would be expected to withdraw from private hospital cover and a further 583,000 will downgrade their cover. Over five years, Deloitte estimate that 1.6 million people will drop cover and 4.3 million will downgrade. As a result, they estimate that private health insurance premiums will rise by 10 per cent above what they would otherwise have risen by. If that turns out to be the case, a lot of marbles are dropping and a lot of serious consequences are flowing down to the public hospital system and the public health system of Australia.

Senator Mason: Labor's lost their marbles!

Senator HUMPHRIES: You could say they have lost their marbles, Senator Mason. I think that it is clear, however, that the government just do not know what is going to happen with this measure. We have a national economy which is good in parts, like the curate's egg, but which leaves a large number of Australians who are struggling and where living standards generally across Australia are falling. Yet the government believe that when people face these sorts of cost pressures—higher cost of government charges, higher taxes, higher cost of local services, higher cost of petrol and these other cost of living pressures—somehow in the midst of all of that pressure they will not drop their private health insurance. It is a big gamble.

We have a situation where clearly our public hospital systems are struggling to cope with the level of demand on them, and that level of demand is likely to increase significantly as a result of people dropping their private health insurance, particularly with respect to hospital coverage, as people decide that they simply cannot afford to sustain that coverage and they can go to a public hospital system. They probably factor in a certain loss of quality as a result of that, but nonetheless in tough economic times they may well decide that that is a rational decision to make to help sustain their family's standard of living.

Twelve million Australians—over half of the population—have private health insurance, and 10.4 million of them have hospital treatment cover. It is very hard to imagine that Australians will sustain that level of investment in their own health when they have such enormous pressures on them overall and when the government is signalling that it no longer wishes to support them in the choice to sustain a proportion of the cost of their health care—because that is what this step is doing. It is saying to people, 'Don't worry about providing for your own coverage and covering the cost of your health care by taking out private measures; our government system will cover you.' Indeed, it might, but at what cost to the public purse and at what cost in loss of quality in the process?

This measure, I think, will lead to a very large number of Australian families deciding not to continue with coverage, at least to the same extent that they have today. I imagine that would be a decision made by a large number of people in my own community, the Australian Capital Territory, where at this
stage we have, and have had for some time, the highest level of private health insurance in the country—56.4 per cent of people in the ACT are insured. That is over 200,000 people. Clearly it is citizens of the ACT who will lose very significantly out of these arrangements, because the government has classed people earning more than $83,000 as—to use a phrase employed in debate earlier today—‘super-rich’ or ‘super-wealthy’. I think that greatly mischaracterises the sorts of people who are noticing a loss of living standards and who are struggling to make ends meet. The fact is that this change will affect many people at many levels, because if people who can afford at the moment to take out private health insurance withdraw in significant numbers it must have implications in a number of areas. It must lead to higher premiums, not just for people on higher incomes but across the board. So those millions of Australians on low incomes, those 3.4 million people with a household income of less than $35,000 per year, who presently have private health insurance will have to consider their position as their insurance premiums rise. It will also affect the suppliers of private health services. I am thinking particularly of smaller private hospitals in regional Australia which may not be a vastly profitable proposition at the present time but who will find that as a significant proportion of their communities withdraws from private health insurance the viability of their enterprises will diminish. When we see a few of those sorts of hospitals or health centres close—and bear in mind that most elective surgery in Australia today is done in private hospital settings or private clinical settings—in many communities the withdrawal of that kind of service will drive more people into already very pressured public hospital systems.

All of that adds up to a loss of quality and capacity in Australia's healthcare system. Where does the $2.8 billion come from? It comes directly from the pockets of Australians that the government chooses to characterise as super-wealthy or super-rich. I do not think that that characterisation is fair. I think that, in recent years, we have seen tremendous pressure on Australians at all levels. Some of the safety net for those people has been enhanced in some ways with compensation arrangements, particularly for lower incomes, but it is very much middle Australia that this measure is targeted at. I make no apologies for advocating for middle Australia in this place, because I do not think we need to be picking off sections of the community and saying that they can afford a hit here, that they can afford to have their standard of living sliced on the edge because they are wealthy enough to sustain that sort of decision.

We are still a wealthy country, and if it were not for the profligate decisions made by this government with respect to the way it has spent the taxpayer's dollar in recent years we would not need to make these sorts of decisions. We have to take $2.8 billion out of the pockets of Australians in order to sustain the government's vision of a surplus budget into the future. We need not be in this position and we on this side of the chamber reject the idea that we have to create this kind of paradigm: to cut the living standards of Australians in order to meet the government's budgetary requirements.

I fear for the effectiveness of Australia's public hospital system. As a former health minister in the ACT, I know that, as people come through the reception areas of inpatient departments, the system is incredibly sensitive to the number of decisions about where people will go. Will they go to a private bed or to a public bed? When more people take the turn on the left side to go to the public beds, it puts huge pressure on the rest of the system. We can expect more of
that because of this government's somewhat perverse vision of how to improve health care in Australia.

I remind members of this chamber, as others have done, that the decision to remove that stick worth $2.8 billion was a broken promise. I recall very well the words used by the then shadow minister for health before the 2007 election that this was Liberal hysteria—that the Liberals were being hysterical in suggesting that there would be any tampering with the private health insurance rebate. It is interesting because the other time in Australian politics that I recall the phrase 'Liberal hysteria' being used was with respect to claims made by the opposition in 2010 that the Gillard government was going to impose a carbon tax. According to Treasurer Swan that was Liberal hysteria as well. I suspect that we should be very sensitive to the words 'Liberal hysteria' in the future and assume that, when we hear that phrase, it means that they are on to us, that we have been caught out, that they know what we are up to.

I simply indicate that I think Australians will be poorer and the health system will be weaker as a result of the measures which the Senate is being asked to approve today. The Greens have long advocated for pulling out of this particular measure. In fact, they say the whole of the private health insurance rebate should go. They have no compunction about imagining that they can find the extra dollars necessary to sustain a hospital system where nobody uses private health insurance or private hospitals. But that is the bizarre world of the Greens. I for one will not stand by and support a situation where—

Senator Di Natale interjecting—

Senator HUMPHRIES: A lot fewer people were using private hospitals and private health before the rebate, and today we have a strong private health and hospital system in this country because the Howard government had the vision to sustain people's decisions to take out private health insurance and invest in their own health care. That is the way the system was improved. Enormous pressure was taken off the shoulders of public hospitals in this country by virtue of that decision, and you guys are going to put that pressure right back there when you support this measure today. I urge the Senate to reject this legislation. It amounts to a cut in the quality of health care in this country and a reduction in the living standards of millions of Australians.

Senator FAWCETT (South Australia) (17:44): I rise to address briefly the issue of the Fairer Private Health Insurance Incentives Bill 2012 and related bills. Because of the guillotine the government is going to apply the opposition does not have time to address it in the detail we would like, but I have a few key points to make.

It is important as we look at this issue of means testing the private health rebate that we look at the big picture of our health system, and that we take a longer term view. Our health system delivers some of the best health outcomes in the world and Australians are enjoying an increasingly excellent life expectancy. That is partly because of the fact that we have this dual health system, where public hospitals treating the insured can bill insurance companies but can also purchase high-volume private surgery when the waiting lists blow out. The Productivity Commission report of last year indicates that the private system is very competitive, if not far more efficient than the public system. The sustainability of that system in the long term is really important.

It is clear that taxpayers alone cannot carry the load of the future financing of health care in Australia. The budget pressures will increase substantially.
Population projections point to a doubling in the proportion of the population aged 65 and over by 2050, and a quadrupling in the proportion of the population aged 85 and over in the same period. What we are seeing there is a huge increase in costs. The second Intergenerational report forecast that expenditures on health will grow from 3.8 per cent of GDP back in 2006-07 to 7.3 per cent of GDP by 2046-47. That means that, more and more, we are going to need to balance the health system between a reliance on the public purse and on individuals playing their part in financing it. That means that the private insurance system must be sustainable, and it will not be sustainable if this government takes measures that mean we reduce the size of the pool of people who are paying into that across their lifetimes.

I turn to touch quickly on the politics of this. The government's approach to this has been divisive at best, and its accusations, for example, that it does not want to see the cleaners in this place pay for the health care of the rich, are crass at worst. The government does not take into account the fact that people on low incomes are not paying for anyone's rebates, because people on low incomes do not pay net tax. Anyone earning less than $820 weekly, or below $900 for families, get more from the government than they pay in tax. The Treasury calls that the net tax threshold. It is also important to realise that this is not the domain of the wealthy. One-third of people who have private health insurance earn less than $32,000, and the median income of people who have private health insurance is only $47,000—hardly the domain of the rich.

There are consequences of the decision that the government is making. Many of my colleagues have talked about the decline that modelling shows will occur. Government figures show that currently some 5.6 million Australians are privately insured. The Deloitte report indicates that some 1.6 million will withdraw from their private hospital cover over a five-year period and 4.3 million will downgrade to lower levels of cover. The most important thing to look at, though, is what is going to happen in the area of allied health, or the extras cover. The Australian Physiotherapy Association said in one of their submissions that they were alarmed at the lack of consideration of ancillary cover in the Treasurer's analysis. They are alarmed for very good reason. For those with extras cover the impact is expected to be greater—nearly one in five, or 18 per cent, will drop their extras altogether, with a further one in three, or 34 per cent, likely to downgrade. Putting the two groups together—those who drop the cover altogether and those who downgrade the extras—shows some 52 per cent will potentially cut back on extras cover, things like dental, optical, physiotherapy, podiatry et cetera.

There are two real impacts from this that this place should be aware of, and that the government should be ashamed that they have not taken into account. I have recently run a number of rural health forums around regional South Australia, and one of the consistent bits of feedback was that the delivery of health services into regional areas, both from GPs and allied health professionals, relies heavily on people being privately insured. Allied health professionals told us that the viability of their businesses depends on people who come to them with private health insurance, and once the businesses cut back—whether that be allied health professionals or private hospitals or the ability to encourage surgeons and other specialists to visit regional areas—we will see a collapse of services in parts of that market. Many people who are there in a private capacity also lend their services to the public system. If the floor on which they
base their private practice is removed then we will see those services become unavailable to the public system because the state governments are not funding those services adequately through their hospitals.

There is another area in which this is particularly important. Allied health, which is what extras cover provides, is an important part of preventative health strategy. I met recently with the Podiatry Association, which indicated that Australia has the worst diabetes amputation rate in the industrialised world with 85 Australians losing a foot every week because of diabetes—about one every two hours. Countries that have mainstreamed podiatry and multidisciplinary foot teams have amputation rates 40 to 65 per cent less than Australia’s. Guidelines indicate that the 206,000 Australians with diabetes should have an average of four to eight consultations with a podiatrist each year as a preventative measure. Currently, Medicare only funds a total of five allied health consults, which means that many people will only get a Medicare funded podiatry consultation once or twice a year. At the moment, the gap for many people is made up with private health insurance.

The Podiatry Association had a proposal to see the number of Medicare places increased. Given that each amputation costs the health system $100,000 over the life of a patient, they highlighted that by increasing the number of Medicare funded places they would save 167,000 hospital bed days, 3,500 amputations and $400 million each year. If people drop their extras cover, it will reduce their access to podiatrists—and you could probably extend this across other allied health areas. That means we will not be seeing the same level of preventative health care. The unintended consequence will be that more high cost health care is required in hospitals.

For purely ideological reasons this government is seeking to wind back private health insurance. This will have a flow-on effect not just through pressures on the public hospital system but particularly on regional communities because it undermines the viability of private practice. Perversely, it will increase costs for the government by decreasing people’s access to preventive health care. There is much more I could say but, in deference to my colleague who wishes to speak before the government applies the guillotine, I will end by saying I do not support this bill.

**Senator RONALDSON** (Victoria) (17:52): I am deeply indebted to my colleague for giving me the chance to speak on this legislation. What we are seeing today is the Australian Labor Party dropping Australian families for a grubby deal with their fellow class-warfare combatants the Australian Greens. The losers from this will be the Australian people.

I know colleagues have referred to the Deloitte report, as I do to put my comments in context. Deloitte says 175,000 people would be expected to withdraw from private hospital cover in the first year and a further 580,000 would be expected to downgrade. Over five years 1.6 million would drop cover and 4.3 million would downgrade. Also private health insurance premiums would rise 10 per cent above what they would otherwise be. Deloitte says there would be an additional $3.8 billion in recurrent costs for the public hospital system, 2.8 million people with general treatment cover would withdraw and 5.7 million would downgrade. The government says Deloitte is wrong, but the government has not had Treasury do its own modelling in relation to this matter. We have Deloitte saying one thing, while the government and the Australian Greens refuse to do anything about it. I will go with Deloitte. I also refer to a company called
GMHBA, proudly based in Geelong and Colac. GMHBA are actively involved in the Colac community. Last year they had a healthy breakfast program where they got together with a whole lot of other bodies to assist the kids in Colac.

Some members in the other place—the members for Bendigo, Ballarat, Corio and Corangamite—who have been remarkably quiet in relation to this debate. Remarkably, between them they represent a quarter of a million Australians who are covered by health insurance, yet there was hardly a peep from these people. In fact, the Parliamentary Secretary for Health and member for Ballarat, Catherine King, has said nothing, which is remarkable. I will go through the figures: in the member for Corangamite’s case, 84,442 people in his electorate are covered by private health insurance. The member for Corio represents 69,946 people with private health insurance. The members of Ballarat and Bendigo represent 64,203 and 56,375 people respectively with private health insurance. More than 100,000 people with private health insurance are not being properly represented.

The member for Corangamite has been remarkably quiet since his very foolish intervention in the leadership battle. He claimed:

In my community in Geelong people do not believe that it is appropriate for people earning hundreds of thousands of dollars a year to get middle class welfare from the Commonwealth to help support them in having private health insurance.

We are not talking about people earning hundreds of thousands of dollars. We are potentially talking about mums and dads, a schoolteacher and a police officer raising three kids in Ocean Grove, in Mount Helen, in Golden Point or in Belmont—that is who we are talking about. Mr Cheeseman, the member for Corangamite, had clearly just picked up some notes and had not bothered to look at the Deloitte report when he said: They are reforms that will make our healthcare system more sustainable, recognising that as we live longer our health needs become greater and we need additional money in the system to support people.

Deloitte says it is the exact opposite of that. He also told the House of Representatives: … these bills are fair. They are appropriate. It has been a consistent position that we have held for a long time.

Let us talk about the consistent position of the Labor Party as told to us by the man who was supported by the member for Corangamite—the failed member for Corangamite—in relation to the leadership battle and everything else he touches. Before the 2007 election, what did former Labor leader Kevin Rudd tell the Australian Health Insurance Association? The shadow health minister, who is sitting beside me, knows that he said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

Nicola Roxon is now Attorney-General. I wonder why she was moved out as this was coming up. We will never know, will we? She said on 24 February:

The Government is firmly committed to retaining the existing private health insurance rebates.

Mr Cheeseman was clearly wrong when he said, 'It's been a consistent position that we've held for a long time.' That is simply not right. That is simply incorrect. That is another example of a broken promise. We have the Prime Minister's great political lie that 'there will be no carbon tax under the government I lead'. We now have broken promises in relation to private health
insurance. We have the members for Bendigo, Ballarat, Corio and Corangamite refusing to say anything about this matter. The only one who did say anything got it absolutely wrong when he said that the Labor Party's position in relation to this matter has been consistent. It has not been consistent with the ironclad guarantees given by Mr Rudd before the 2007 election.

A lot of Australians have voted on the back of their understanding of the Australian Labor Party's policy in relation to this matter. A lot of people have gone to ballot boxes on the basis that the Labor Party would never interfere with these private health insurance rebates. They have been absolutely let down by a government which refuses to keep its promises, and we will come in here day after day after day and demand that the Australian Labor Party keeps its election promises. They have failed to do so at the moment, they have failed to do so in the past and we will make absolutely sure that they do so in the future.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop): The time allotted for consideration of these bills has now expired. The question is that these bills be now read a second time.

The Senate divided. [18:04]

The President—Senator Hogg.

Ayes.................... 34
Noes.................... 30
Majority.............. 4

AYES

Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Thistlethwaite, M
Waters, LJ

NOES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Macdonald, ID
Mason, B
Nash, F
Ronaldson, M
Scullion, NG
Williams, JR

AYES

Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Urquhart, AE
Wright, PL

NOES

Back, CJ
Birmingham, SJ
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H
Madigan, JJ
McKenzie, B
Payne, MA
Ryan, SM
Sinodinos, A
Xenophon, N

PAIRS

Brown, CL
Evans, C
Faulkner, J
Feeney, D
Sterle, G
Wong, P

Joyce, B
Boyce, SK
Parry, S
Boswell, RLD
Adams, J
Brandis, GH

Question agreed to.

Bills read a second time.

The PRESIDENT (18:08): In respect of the Fairer Private Health Insurance Incentives Bill 2012, the question is amendments (1) and (2) on sheet 7204, circulated by Senator Xenophon, be agreed to:

(1) Schedule 1, page 16 (after line 11), after item 17, insert:

17A Section 169-5 (heading)

Repeal the heading, substitute:

169-5 Information to be given annually to the Council and the Productivity Commission

17B After subsection 169-5(1)
Insert:

(1A) A private health insurer must, within 3 months after the end of each financial year, or within such further time as the Productivity Commission allows, give to the Productivity Commission such information (including financial accounts and statements) in respect of that year as the Productivity Commission requires to be given for use in preparing the report referred to in section 333-1A.

17C Subsection 169-5(2)
Omit "such accounts or statements", substitute "accounts or statements referred to in subsection (1) or (1A)".

(2) Schedule 1, page 20 (after line 9), after item 21, insert:

21A Before section 333-1

Insert:

333-1A Annual report by Productivity Commission

(1) The Productivity Commission must, as soon as practicable after 30 September in each year, give the Minister a report, for presentation to the Parliament, relating to changes in the composition of the persons insured under insurance policies issued by each private health insurer during the financial year ending on 30 June in that year.

Note: See also section 34C of the Acts Interpretation Act 1901, which contains extra rules about periodic reports.

(2) The report must include:

(a) information about the number of persons who have ceased to be insured, and the number of persons who have downgraded their level of insurance, under insurance policies that cover hospital treatment during that financial year; and

(b) information about the number of persons who have ceased to be insured, and the number of persons who have downgraded their level of insurance, under insurance policies that cover general treatment during that financial year; and

(c) information about the age and income tax bracket of those persons who have ceased to be insured, or who have downgraded their level of insurance, under insurance policies that cover hospital treatment or general treatment during that financial year; and

(d) any recommendations from the Productivity Commission for addressing:

(i) reductions in the number of persons insured under insurance policies that cover hospital treatment or general treatment; and

(ii) people electing to downgrade their level of insurance under insurance policies that cover hospital treatment or general treatment.

(3) However, the report must not include any information that would enable an individual to be identified.

(4) The Minister must publish on the Department's website the report, and a written response to the report, within 60 days after the first day on which the report is laid before a House of the Parliament in accordance with section 34C of the Acts Interpretation Act 1901.

The Senate divided. [18:08]

(The President—Senator Hogg)

Ayes..............30
Noes...............34
Majority............4

AYES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Macdonald, ID
Mason, B
Nash, F
Ronaldson, M
Scullion, NG
Williams, JR

Back, CJ
Birmingham, SJ
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H
Madigan, JH
McKenzie, B
Payne, MA
Ryan, SM
Sinodinos, A
Xenophon, N

NOES

Bilyk, CL
Brown, RJ
Carr, KJ
Collins, JMA
Crossin, P
Farrell, D

Bishop, TM
Cameron, DN
Carr, RJ
Conroy, SM
Di Natale, R
Furner, ML
Thursday, 15 March 2012

NOES
Gallacher, AM  
Hogg, JJ  
Ludwig, GM  
Marshall, CM  
Moore, CM  
Pratt, LC  
Singh, LM  
Thistlethwaite, M  
Waters, LJ

Hanson-Young, SC  
Ludlam, S  
Lundy, KA  
McEwen, A (teller)  
Milne, C  
Polley, H  
Rhiannon, L  
Siewert, R  
Stephens, U  
Urquhart, AE  
Wright, PL

PAIRS
Adams, J  
Boswell, RLD  
Boyce, SK  
Brandis, GH  
Joyce, B  
Parry, S

Sterle, G  
Feeney, D  
Evans, C  
Wong, P  
Brown, CL  
Faulkner, J

Question negatived.

Third Reading

The PRESIDENT (18:13): The question now is that the remaining stages of the bills be agreed to and the bills be now passed.

The Senate divided. [18:13]

(The President—Senator Hogg)

Ayes..................34
Noes...............30
Majority..............4

AYES
Bilyk, CL  
Brown, RJ  
Carr, KJ  
Collins, JMA  
Crossin, P  
Farrell, D  
Gallacher, AM  
Hogg, JJ  
Ludwig, JW  
Marshall, GM  
McLucas, J  
Moore, CM  
Pratt, LC  
Sherry, NJ  
Singh, LM  
Thistlethwaite, M  
Waters, LJ

Bishop, TM  
Cameron, DN  
Carr, RJ  
Conroy, SM  
Di Natale, R  
Furner, ML  
Hanson-Young, SC  
Ludlam, S  
Lundy, KA  
McEwen, A (teller)  
Milne, C  
Polley, H  
Rhiannon, L  
Siewert, R  
Stephens, U  
Urquhart, AE  
Wright, PL

PAIRS
Brown, CL  
Evans, C  
Faulkner, J  
Feeney, D  
Sterle, G  
Wong, P

Joyce, B  
Boyce, SK  
Parry, S  
Boswell, RLD  
Adams, J  
Brandis, GH

Question agreed to.

Bills read a third time.

Minerals Resource Rent Tax Bill 2011  
Minerals Resource Rent Tax (Imposition—General) Bill 2011  
Minerals Resource Rent Tax (Imposition—Customs) Bill 2011  
Minerals Resource Rent Tax (Imposition—Excise) Bill 2011  
Petroleum Resource Rent Tax Assessment Amendment Bill 2011  
Petroleum Resource Rent Tax (Imposition—General) Bill 2011  
Petroleum Resource Rent Tax (Imposition—Customs) Bill 2011
Petroleum Resource Rent Tax (Imposition—Excise) Bill 2011

Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011

Superannuation Guarantee (Administration) Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (18:15): The coalition opposes this raft of bills. This raft of bills, the Minerals Resource Rent Tax Bill 2011 and related bills, will strike at the very heart of the Australian economy. This package of bills will seek to legislate the sort of politics of envy that those on the other side revel in. Make no mistake: Australia has benefited very greatly from the resources boom. We happen to call it the 'resources boom' because we accept that this situation will not last forever. Indeed, the resources sector is well known for its cycles—for its downs and its ups. There is no doubt that at the moment Australia is benefiting from one of the up cycles. But as a result Australia is getting a huge dividend via company tax and via royalties. And this is the important thing here: the states are entitled to the royalties. The value of the minerals actually belongs to the states in our federal system, and the mining companies do the bargaining with the states in relation to the royalties. After that is done, the profitability of the company is taxed via Commonwealth legislation.

The Commonwealth legislation is appropriate to have a company tax levied on the profitability, but this concept of a superprofits tax is once again an indication of the thinking of the Greens-Australian Labor Party alliance that you can dumb down the economy, that anybody that makes a profit above whatever predetermined rate it may be should be taxed extra hard and more heavily. Are we going to start applying that to our banks and financial institutions? Are we going to start applying that to the local corner store? Are we going to start applying a superprofits tax to other areas of the economy? Why would we seek to levy an extra tax on those businesses who are able to run their companies and businesses more efficiently and effectively than their competitors down the road? If we start taxing innovation—if we start taxing the entrepreneurial spirit—it will simply dumb down the Australian economy. And of course that is what those with a socialist bent on the other side, being the Greens-ALP alliance, actually believe in. We in the coalition do not. We do not want to see the killing of the goose that is laying the golden egg for the Australian economy.

And make no mistake: the buyers of our resources as we speak are looking to South America, are looking to Africa and are looking to Asia to source these raw materials. Why are they doing so? Because, once the Australian government started signalling quite heavily that they were going to levy an extra tax, why would they bother to continue to invest in Australia? Sure, the impact of this may not necessarily be seen in the Australian economy tomorrow, the next day or, indeed, next year, but in a decade's time people will start asking, 'What happened to the once-proud Australian resources sector?' They will be able to look to Brazil in South America. They will be able to look at the continent of Africa. They will be able to look at Asia and say all the people decided that they would invest in those continents because, believe it or not, Indonesia now boasts less sovereign risk for resource companies than Australia courtesy of this mining tax.
One of the reasons we as a coalition oppose this mining tax is that it was a deal struck by the government with the three largest miners. There are 3,000 Australian mining companies. This is another example of big government doing deals with big unions and big business and small business is simply trampled on, forgotten, dismissed as being of no consequence. We as a coalition say those other 2,997 smaller miners were entitled to be heard, were entitled to be listened to—but for the Greens-ALP alliance they are of no consequence.

Out of this terrible economic policy that is the mining tax the government is seeking to make a virtue by saying small business will get a tax reduction. But let us analyse that. No. 1, tax reductions are not really tax reductions if you are taxing somebody else. One of the things that you learn, I would have thought, in Economics 101 is that, if you want to pay something to somebody, you have got to take it off somebody else in the first place. This is not about reducing taxes; this is simply about taking it off one to pay another. The myth that small business will benefit is exploded when you have a look at the beneficiaries of these so-called cuts. It is companies and companies only. Seventy per cent of small businesses that are sole proprietorships or partnerships miss out on this so-called tax deduction for small business. Yet we had Senator Wong and Senator Lundy during question time today delivering answers asserting that which is false: that small business generally would get these reduced rates of taxation. It is only those in a company structure. What it suggests is that these companies are making substantial profits as we speak.

There was the excellent question from Senator Scott Ryan, who I know has a passion for small business. He was able to provide to Minister Lundy the horrible, horrible statistics of small businesses going bankrupt in Australia as we speak—one of the highest rates of bankruptcy. Those that are not going bankrupt are struggling. They are not making much of a profit; therefore, they are not paying much of a tax. Therefore, promising them a decrease in their rate of taxation, when they are running at a loss, is of cold comfort to them. What these small businesses would like is a dynamic resources sector that is able to pay and play into the wider Australian economy. That is the way you share the wealth. You do not share the wealth by having government scooping it away from business and then redistributing it and saying, 'What jolly good fellows we are.'

We know that the dead hand of government, in taxing enterprises, does not assist the economy. It does not assist, especially when this is all about a redistribution of wealth—as is, might I add, the carbon tax. This is a government that is addicted to big spending and to big taxes. We now have a huge list—quite frankly, I could not even remember them all now—of all the extra taxes this government has levied on the Australian people since it came into office. There is the carbon tax, the mining tax, and, of course, there is now, in effect, the extra tax in relation to private health insurance that the Senate so shamefully passed just a few minutes ago—and that was in circumstances where the Prime Minister herself said, 'I'm sick of saying this: we will not fiddle with the private health insurance rebate.' She has and she has broken yet another promise.

The Australian Labor Party and the Greens are trying to make a virtue of the suggestion that they are redistributing the wealth within Australia because mining companies are making big profits. As I understand it, the three big companies that they dealt with may well not be paying any for quite some time, because they are still in the investment stage. I have a funny feeling
that these companies are having a bet both ways; many a company unfortunately does this. They are willing to say to the current government, 'Yes, we'll sign off on this', knowing they will not need to pay for a year or two and hoping that there will be a change of government, which will see the repeal of this legislation. As a result, they sort of win both ways and keep faith with both the opposition and the government. But can I say that, in having signed off with the government, those three big companies did a huge disservice to the other 2,997 mining companies. I believe they betrayed those companies in that deal, and the government also betrayed those companies by doing a deal only with the three big players.

We are told that somehow out of this mining tax the Australian population will get an extra superannuation dividend. That is also false. We are told that small businesses are going to get a reduced rate of taxation on their company tax, so that it is only that 30 per cent, to help offset that which they will have to pay in increased superannuation contributions. Make no mistake: not one red cent of the minerals resource rent tax will go to assist any private business in paying that extra superannuation levy, because every single company that is struggling as we speak, without making a profit, will have to pay that extra superannuation levy without any assistance from government whatsoever.

This is where Labor is yet again engaged in spin and deceit, where this government seeks to make a virtue out of that where there is no virtue but is, in fact, riddled with deceit and deception. This extra superannuation levy will not be funded by the mining tax; it will be funded out of the pockets of the businessmen and women in Australia. Let us be quite clear on that, and I trust that government senators will come clean during this debate rather than simply mouthing the mantra that the minister's office has undoubtedly given to them all for their speaking notes. I trust that they will come clean and not simply dutifully read out that which they have been told to read.

On behalf of the coalition, can I indicate our very strong opposition to this legislation. It is short-sighted and it will do untold damage to the long-term welfare of the Australian economy.

Sitting suspended from 18:30 to 19:30

The ACTING DEPUTY PRESIDENT (Senator Crossin): Order! The Senate is considering the minerals resource rent tax legislation as a package.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (19:30): I rise tonight to discuss what sort of future we aspire to have in this country, because, whilst the specific is the Minerals Resource Rent Tax Bill 2011 and associated legislation, the context in which we are debating this tax is what sort of vision do we have for Australia in the next 20, 30 or 50 years. How you raise the money and where you spend it will determine that kind of country, because the future is actually an extension of the present and it is shaped by the decisions and actions we make.

When I go around Australia and talk to people, they say they want Australia to be a clever country. They want Australia to be a country in which people are well educated and have equality of opportunity, where everybody can aspire to good health care—including good dental health—where there is a sense of social cohesion, because we are an equitable and egalitarian nation and we are happy people. That is the kind of nation that people talk about aspiring to.

We are talking about that vision for Australia in the context of the major crises facing the nation now: the global climate crisis, the global energy crisis—including peak oil—a food security crisis and a water
crisis. All of those things are coming together and every nation, including Australia, has to face up to them. The challenge here is how to deliver this clever, equitable, well educated, healthy, socially cohesive country in the face of those challenges. The clear answer has to be that we cannot continue on the path we are on. One option for Australia is to continue the current economic strategy of digging up, cutting down and shipping away, of failing to invest in education and innovation. It is, as Ian Lowe once said, the 'steady as she sinks approach'. In the steady as she sinks approach, you have a situation where people start to grasp for the returns that they can get while they can get them without thinking about what that means for the nation in the longer term. In that scenario we will continue to sell our resources, sell our industry and even sell the land itself, and with the land its water resources.

We cannot have that. We do not want to become a bleak backwater of big holes in the ground, married to a strategy of driving increased greenhouse gas emissions through massive increases in coal mining with declining commodities prices over time, a loss of cohesion in community and a willingness to see a declining number of tourists come here as our natural resources decline in the face of the crises that I am discussing. We need to make sure we maximise the benefits of the mineral exports boom that we are experiencing and invest those profits in making Australia the clever, equitable country that we want it to be as we move into this century.

In order to do that we need to maximise the amount we raise from our resources and not just give it back willy-nilly in tax cuts, as the Howard government did in the midst of the last boom. In 2006 I stood here in this Senate saying that it was disgraceful to be giving back in tax cuts all over the place the benefits of the boom in what was described as 'manna from heaven', 'rivers of gold' flowing out into the community via tax cuts, but at the same time failing to invest in education, training, innovation and research. During those years we lost some our best young people overseas and risked losing our intellectual property in the longer term. It was a bad way to go and we do not want it to happen again.

At the moment we are facing unprecedented growth in China with its re-engagement with the global economy and that has led to huge commodity prices, but, as I indicated in the Senate today, that is not likely to continue. We need to recognise that China is an incredibly clever country in that they are investing in the low-carbon economy and those new technologies. They are going to cap coal in 2015 and that sends a very strong signal about where we will be wasting money if, for example, we go massively into spending public money in supporting infrastructure development in an industry which has such a limited life in the face of global warming and peak oil.

We have a windfall gain now and that has led to huge increases in mining profits, but there has not been an exceptional increase in production and productivity has actually fallen. Most of the mining profits that are generated are going to shareholders overseas as the mining companies are predominantly around 80 per cent foreign owned. The benefits of the mining boom have been the subject of rather exaggerated claims about the economic benefits, but if you consider the nation as a whole a lot of people are hurting around Australia because of the impacts on our economy of the mining boom. Mining itself only employs about two per cent of the workforce, far less than agriculture and a quarter of manufacturing. The mining boom has led to an appreciation of the Australian dollar, higher interest rates,
and shortages of labour in certain regions and particularly in certain skills. We know that a number of skilled workers have left the manufacturing sector to try to maximise their incomes in mining towns. These impacts are leading to lower profits and lower returns to shareholders and fewer jobs in other industries, such as manufacturing and tourism. The mining boom is also having adverse implications for greenhouse gas emissions, both during the mining in Australia and when the exported coal is burnt overseas. It is extraordinary that the expansion that is to be generated in the Galilee Basin in Queensland, for example, is going to wipe out the emissions reductions from our clean energy package by a factor of at least two or three. This is an absolutely shocking trend in terms of where we are with the global environment, with the *State of the climate report 2012* from the CSIRO and the Bureau of Meteorology coming out yesterday pointing out that, with greenhouse gas emissions rising, it has to stop. Yet we are driving those global emissions with those coal exports.

Furthermore, we are seeing appalling dredging operations to expand the ports in the Great Barrier Reef. That increased shipping is damaging the Great Barrier Reef and the marine environment, and the implications are not just for tourism and fisheries but for the intrinsic value of the reef itself. The Australian Great Barrier Reef is of world heritage significance, it is of outstanding universal significance to humankind, yet we are prepared to dump the spoil from dredging in Gladstone Harbour and into that reef and destroy those areas forever. That is what I mean about saying we are not a clever country if we are prepared to damage biodiversity, damage the reef and damage our global status in terms of world heritage simply to rush the facilitation of a huge expansion of coal mining. I see today that the companies are calling for an acceleration of the infrastructure build in Queensland to get that coal out of the country faster, get those ships turned around faster and drive greenhouse gases faster. That is the current scenario.

We are also seeing coal and coal seam gas putting at risk quality food-producing land and water supplies. We are witnessing what is going on with farms, farm income and the appalling depression in a lot of farming communities as they see land which they have nurtured and cared for over generations, and water supplies, being compromised by this absolutely mad rush for expanded coal and coal seam gas. It is also damaging community cohesion. As I mentioned before, there have been lots of local government people in the media talking about the lack of cohesion in some of the communities in which the mining boom is occurring as we see the increasing use of fly in, fly out workers and a lack of support for community services in the towns themselves.

Australians have led the world in thinking about the impacts of resources booms and have looked at the optimal taxation treatment of them. We should be setting an example to the world in the implementation of an efficient tax to ensure that people get a fair share of the returns from their natural resources. That is why the Greens have said that we should have a sovereign wealth fund. As I said, if your aim is to use the boom to actually make the transition to the low-carbon economy, to make this investment in education, to make the investment in national disability insurance and to actually change society to get it to where you want to be, then you need to maximise your returns in the national interest and invest them wisely. That is why in the original Henry review there was a proposal for the resources superprofits tax and that is why the Greens supported it. We wanted to see Australia
have the capacity to make the transition that we need to have. But, under duress from a ferocious and misleading advertising campaign by the large mining companies, the government replaced the superprofits tax with this minerals resource rent tax, which is a severely compromised version of what we should be achieving and will raise around $100 billion less over the next decade than the superprofits tax would have done.

The Greens are totally opposed to forgoing, largely into the pockets of the overseas shareholder base, that $100 billion which could be invested in education, health, disability, dental care and so on. Over $80 billion of the lost revenue will go to those overseas investors, and much of the other $20 billion will go to the wealthier members of the Australian community. This is money that could fund initiatives in all the areas I mentioned, including public transport and the very fast train. Can you imagine what a different society Australia would be, what level of excitement there would be in the community, if we actually saw a real return from the resources boom being invested in a very fast train, in dental care, in a modern public transport system—if we actually saw our cities become competitive and productive again instead of being congested and losing a lot of their liveability because we have failed to invest in decent public transport?

Whilst the mining industry are running a scare campaign about the impact on them of paying more tax, their actual and planned investment and spending on exploration continues to reach new record highs. The Greens want to see some improvements in this bill. We want to restore the mining tax to close to the level recommended by the Henry review. We want to make sure that the mining companies pay their fair share of tax for the resources that are owned by all of us. This is in the national interest. These resources belong to the people of Australia. They do not belong to a few wealthy people, a few companies and a whole lot of other overseas shareholders. They are our resources; they are non-renewable, and therefore they need to be used in the national interest. At an absolute minimum, the goldminers, who are garnering windfall profits from an unanticipated near-record price for gold, should be brought under this tax along with coal and iron ore miners. This change alone would add almost $2 billion over a decade and, better still, it would be able to restore the coverage to most minerals, including copper, nickel, rare earths and uranium.

The rate of the tax should be restored to the 40 per cent proposed in the Henry tax review, rather than the 22½ per cent in this minerals resource rent tax. That would double the revenue raised. The OECD commented that the proposed tax is set at a relatively low level and therefore the taxation of profits of mining companies is likely to remain much lower than before the mining boom. That is worth considering in the context of what we are doing here.

The federal government also cannot continue to provide a blank cheque whereby state governments raise royalties and then the federal government refunds the companies. That is the most ridiculous part of what has occurred with this tax. Giving the states the capacity to keep raising their royalties—and expecting the Commonwealth to refund that—while not being able to fund in the national interest the Gonski review findings of putting $5 billion into education and our National Disability Insurance Scheme and Denticare because we are giving it back to the states are all flawed parts of this. The other changes incorporated in the tax, such as the higher uplift rate and other generous provisions, also need to be reviewed.
In relation to the company tax rate the Greens have made it very clear that we do not support tax cuts for big business. We have made that extremely clear. That would be one way the Greens would fund these initiatives in the public interest to get the clever country to fund innovation in the way that is necessary and to fund education and training. We are the only party in here saying, 'We are prepared to impose that higher level of taxation during the boom so that we can fund education, disabilities and Denticare'—unlike the coalition's aspirations. They would rather not give that money to the Australian people. They would rather give it back to the mining companies concerned.

The Greens recognise that, if you are going to fund the $5 billion additional funding for Gonski—and everywhere I go people want money spent on schools—$3 billion going into public education would make a massive investment in the future. It would also make a massive investment in equity in Australia—equitable access to education—and that is essential. The high-speed rail link from Melbourne to Sydney to Brisbane would connect 18 million people. As I indicated, the National Disability Insurance Scheme needs to be funded—as does the sovereign wealth fund that we have suggested—so that we can start making long-term plans to deal with our future.

In terms of superannuation and how the government intends to spend this money, the Greens have indicated on several occasions that the miners are now saying that they want some of this money back for infrastructure projects. They complain about paying the tax but they have their hand out for everything from accelerated depreciation to massive investments in their infrastructure—and that is unacceptable. Infrastructure should be in the public interest, not to subsidise the profits of mining companies when they are not even prepared to pay the tax as is recommended.

Yes, the mining tax will allow an expansion of the superannuation scheme by covering the additional costs to revenue that result from the tax concessions offered to super contributions and earnings. The Greens are supportive of the superannuation increase but we want to take this opportunity to address the inequities in those tax concessions. Those concessions should not be giving the same benefits to high-income earners as they do to low-income earners. The Greens propose replacing the flat 15 per cent tax on superannuation contributions with a tax at the employee's marginal rate, less a fixed amount of around 15 percentage points. The best technical approach for doing this should be recommended by the superannuation roundtable.

We are also interested in the recommendations that came out of the tax summit last year and the working group that is now looking at other ways to support small business. If the parliament would take up the Greens' view that we give the tax cuts to small business but not to big business then we would have $4.3 billion to further facilitate these outcomes including supporting the backbone of the economy, which of course is small business.

I return to where I began. We will support this tax, recognising that it could and should have been a much better outcome for Australia. The disappointment I have with it is that there is no vision surrounding it. There is no articulated vision for what sort of country we want Australia to be in 2050. How are we setting in place, now, the kind of investment that will lead to that future? If we are to increase productivity in Australia, we will not do it through use of more oil, more resources, more land and more water. We will do it by investing in education,
innovation, science, research, maintaining our own intellectual property and selling services around the world. That is the way we will do it. We will do it by getting to the low-carbon economy with all the enormous innovation and opportunity we see, and we will do it by investing in public transport, the very fast train and Denticare. Through all of those investments we will have a happier, more equitable, better educated, healthier country which has a vision of itself as a clever country, a wise country, connected in our region and connected globally by the strength of our intelligence, and all that comes from that, with the kind of intellectual input that I am suggesting. We will not get there through digging more holes, cutting down more trees or giving out the money to everybody to buy votes in the short term and ending up without the clever— (Time expired)

Senator CORMANN (Western Australia) (19:50): Labor's mining tax is a bad tax which came out of a deeply flawed process. It is a tax which will be bad for the economy, bad for investment in the mining industry and bad for jobs. Labor's mining tax is more complex, more distorting and less fair than the status quo. It is a tax that is so deeply flawed that it cannot possibly be fixed by any amendments. The government should scrap this tax and the Senate should vote against this tax. We call on the government to start from scratch with a more competent, more serious, more considered, more open, transparent and inclusive genuine tax reform process rather than sit down exclusively, in secret, behind closed with a few of the big mining companies to design a tax that favours them at the expense of all their competitors. We need a tax reform process which is inclusive, which deals with all stakeholders fairly and equally and which also includes, in the important area of resource taxation reform, the state and territory governments as part of the process. We have to remember where this process all started. This process started with the Henry tax review. This process started with then Prime Minister Kevin Rudd's commitment that the Henry tax review would be a root-and-branch reform of our tax system that would lead to a simpler, fairer tax system. In relation to resource tax reform specifically we were promised that it would remove distortions and improve the situation for smaller and newer mining projects to help them become the success stories of tomorrow.

Of course, the legislation that is here in front of us is the exact opposite. Rather than making our tax system simpler it manifestly makes it more complex. Rather than removing distortions for smaller and newer mining projects it increases distortions for smaller and newer mining projects. Rather than replacing our state and territory royalties with a profit-based national resource rent tax it imposes a new, massive additional tax on top of the current state royalty and company tax arrangements that continue as before. And smaller and newer mining projects will be absolutely hampered by this particular tax.

I will just pause here for a moment, because in recent times we have seen yet another outburst from our Treasurer—the Yosemite Sam of Australian politics. He is out there, shooting along, fresh from his rush of blood having got stuck into former Prime Minister Kevin Rudd. There he was getting stuck into what he calls 'the mining billionaires'—like the Andrew Forrests, the Gina Rineharts and the Clive Palmers of this world. We now know what his real motivation is behind this mining tax: the real motivation behind this mining tax is that we have a Treasurer here in Australia who has a deep resentment of success. We have a
Treasurer here in Australia who does not like it when people actually do well.

I just pause here for a moment to reflect on what Andrew Forrest has done, for example. Andrew Forrest started the company FMG in 2003 from nothing—from nothing. He took risks along the way and he made significant investments, in particular in infrastructure because the big established mining companies like BHP and Rio Tinto were not prepared to give him access to their railway or infrastructure. He built a company that now has a market capitalisation of about $17 billion and employs 3½ thousand people. That is a fantastic success story. It is a fantastic Western Australian success story and it is a fantastic Australian success story.

We on this side of the chamber encourage and celebrate success. We want to see more of it. I am very concerned that, as Andrew Forrest made very clear, if this mining tax had been in place back in 2003 there would be no FMG today. There would not be a company which has a market capitalisation of $17 billion, which will pay $1 billion worth of tax next year and $2 billion worth of tax the year after, and which has created 3½ thousand new jobs.

We on this side of the chamber believe in a tax system and in a policy framework from the federal government's point of view that actually encourages people to stretch themselves, to reach their full potential and to contribute to the economic success and prosperity of our nation. We know on this side that, as companies like FMG and others are successful, grow and prosper, the whole economy grows and prospers and we are able to increase federal government revenue by increasing and growing our economy rather than having to whack on one new ad hoc tax after the other.

We know that, true to form, this whole mining tax development process has been one big shemozzle. It is a complete dog's breakfast. Of course, at the heart of it is one of the most incompetent treasurers in the history of the Commonwealth. It was Wayne Swan as Treasurer who received the Henry tax review report back in December 2009, who sat on it for five or six months and released it in a complete breach of faith at the same time as announcing the details of the then resource super profits tax without any consultation with anyone and without even talking to the states or any of the stakeholders about it. Everybody was taken by surprise. That is just not the way to develop tax policy in a serious way.

What should have happened at that point in time is that the Henry tax review should have been released and there should have been a public debate about what the tax reform priorities for Australia should be. There would have been an opportunity for everyone to have a good go at it, and I am sure that at the end of a 12-month public debate process through a green paper or a white paper—you name it—we would have come up with a more sensible approach. Instead what happened—it is a matter of history now—was that there was a big outcry, as was to be expected. It contributed to Prime Minister Rudd losing his job—and the person responsible for the stuff-up, Treasurer Wayne Swan, actually got a promotion. So Mr Rudd got the boot and Mr Swan, who was responsible for the stuff-up, got a promotion. That is the way things work in the Labor Party.

Then we get this process where the Prime Minister, the Minister for Resources and Energy and the Treasurer sit down behind closed doors and, exclusively and in secret, negotiate the design of the tax with the managing directors of the three biggest mining companies: BHP, Rio Tinto and Xstrata. What do you think these companies are going to do when they get this sort of
access? Do you think they are going to push for the design of the tax that is going to be in their commercial interests and is going to give them the competitive advantage that is going to make things better for them compared to their competition? Of course that is what will happen, and that is exactly what happened. It is quite extraordinary that the government negotiated the design of this tax in this sort of forum without any input or involvement by public officials. There were no officials from the Prime Minister's department and no officials from Treasury part of the negotiations. When I asked the Prime Minister's department in Senate estimates about what their involvement had been, they said very quietly, 'Well, on this occasion the Prime Minister took advice directly from the Treasurer.' That says it all. This was a dirty deal done behind closed doors where, quite frankly, a Prime Minister who was worried about the election that she was to face two or three months later was desperate to sign whatever deal just to get the big three miners off her back. She was not worried about what good policy was, she was not worried about the mining industry as a whole and she was not worried about the national interest. All she was worried about was getting the three big mining companies and their advertising campaign off her back so that she could go into the election not having to worry about that particular distraction. This is a very bad tax. The reason we know that this is a bad tax is that to this day the Treasurer keeps bending over backwards to avoid releasing very important detail about the tax. I believe that the Treasurer himself knows that this is a bad tax. I think the Treasurer himself is embarrassed about the dodginess of this mining tax, because if he were not then why wouldn't he share with us the basis for his mining tax revenue estimates?

I predict that the MRRT that is before the Senate today will not raise the $10.6 billion that the government tell us it will. I will just give a quick outline of the reasons for that. When the RSPT was announced, we were told it would raise $12 billion over the first two years of the tax. Then the government made all these concessions. They agreed to reduce the rate from 40 per cent to 22½ per cent. They agreed to reduce the scope of the tax from all mineral resources to only iron ore, coal and—in relation to the onshore extension of the PRRT—petroleum oil and gas. Of course, the government also offered up a massive upfront tax deduction by making available the market valuation method to depreciate the value of the assets based on the market valuation method as the starting base—to be depreciated over a period of up to 25 years, but even shorter. There were all these concessions, yet the government wanted us to believe that the net fiscal impact of all these changes was just $1½ billion. It just seemed weird. It seemed quite extraordinary that all of these concessions did not have a more significant impact on the budget bottom line.

Of course, it sounded too good to be true and it was, because when we started to scrutinise what had happened it turned out that behind closed doors they not only designed the tax with those big three miners but also massively changed the various mining tax revenue assumptions—the commodity price, production volume and exchange rate assumptions and so on. When we asked the government to tell us what the commodity price assumptions had been under the old tax and under the new tax, we were told, 'You can't have it.' Why? Because, in part, the information is based on material provided by the big three. So this really adds insult to injury and makes this a highly, highly improper process.
What the government is telling us is that those big three miners are not only the only ones allowed to help design the tax—and I am told that the MRRT heads of agreement was actually typed up on a BHP computer—but also the only ones allowed to know what revenue assumptions the government is using. So never mind all of the other companies out there—all of the other smaller, newer projects that are aspiring to be the success stories of tomorrow and to help Australia grow. Stuff them. This government just wants to do a deal with the big three. This is just completely inappropriate.

Not only is this a tax that is bad for the economy, bad for jobs and more complex, more distorting and less fair than the status quo; it is also a tax package that leaves the budget worse off. Only the Labor Party can come up with a multibillion-dollar new tax that leaves the budget worse off. We have had the carbon tax package, which we know leaves the budget worse off to the tune of at least $4 billion over the forward estimates, and the mining tax package is the same. In fact, the mining tax package is worse over the medium to long term, because what we have here is a highly volatile revenue source. The revenue from the mining tax—the tax on iron ore and coal—will be highly volatile because it will change with commodity prices, with exchange rate fluctuations and on the basis of a whole range of variables.

Currently we have the best terms of trade in 140 years. If you look at the revenue projections that were released by Treasury under FOI—the revenue projections around the MRRT that were made by Treasury at the time the MRRT heads of agreement was signed—you will see that Treasury expects the revenue from the MRRT to come off over time. Of course, that is what you would expect, because when you have high commodity prices, as we have at present, you can expect that there will be a global supply response, and as there is a global supply response commodity prices will come off from their higher levels. That is what is going to happen, and we are going to have this revenue which is going to be highly volatile and downward trending. Then we have the cost of all of the measures and promises that the government has attached to it, which have a fixed cost and which will continue to increase over time. We know that the government know this, because when the government introduced these 11 bills one of the promises that it attached to the mining tax had miraculously disappeared.

Whatever Labor's rhetoric about wanting to pursue a company tax cut is, do not trust them. You cannot trust the Labor Party. They talk about a company tax cut but they never, ever had any plans to deliver it, because if the Labor Party had really been serious about pursuing company tax cuts related to the mining tax then surely they would have been part of this package of 11 bills before us now. Most of the other measures are there with it. We know that the government were clearly never fair dinkum about this company tax cut; it was just one other sneaky vehicle that this sneaky government used in order to try to get some public support for what they know is a very bad, complex and poorly designed tax.

I am mindful of the time, but there are just a few other things that I want to bring to the chamber's attention. Part of this tax package that has not been widely talked about is the onshore expansion of the PRRT. We currently have a petroleum resource rent tax which applies in Commonwealth waters offshore, and of course that is in an environment where there are no state and territory royalties imposed, so the offshore arrangement in terms of petroleum taxation is exclusively in the Commonwealth domain. The Treasurer says the petroleum resource
rent tax has been in place for all these years and has worked well. Let me just disagree with the Treasurer on this. The petroleum resource rent tax has been in place for more than 20 years, and ever since it has been put in place we have not had one single new project come on stream that is today paying the petroleum resource rent tax. The only project that is paying the petroleum resource rent tax offshore is the Bass Strait project, which of course was moved into it by the Hawke government. It has taken more than 20 years for us to have new offshore petroleum projects coming on stream that might at some time in the very far future start paying the petroleum resource rent tax. In terms of the onshore application or the onshore extension of the petroleum resource rent tax, that also comes on top of state and territory royalties, so it is an additional tax. What does the government tell us about how much revenue they expect to raise from this onshore extension of the PRRT is unquantifiable, according to the government's own explanatory memorandum. When I asked during the Senate inquiry when they expected the petroleum resource rent tax onshore to start bringing in some revenue, they did not know. So here we have a massive new tax which is going to tie up a significant industry, the petroleum industry, onshore in massive additional red tape and the government cannot even tell us whether and when it will raise any revenue. How reckless and how irresponsible is that—to inhibit important development?

I make a prediction. The prediction is that the Labor Party's minerals resource rent tax will go the same way as their dodgy Malaysia people swap deal—that is, it will be thrown out by the High Court. Sadly, the way things work in Australia is that you cannot actually test the constitutional validity of legislation until after it has been passed by the parliament. If a government puts a piece of legislation forward which is in contravention of the Constitution, the only way you can test it is after it has been passed. Let me make this prediction: this mining tax legislation breaches our Constitution; it is in contravention of our Constitution. The minerals resource rent tax is a tax on state property, and the way this package has been put together discriminates between states.

Now let me just flesh out why I think this is a tax on state property. The government tells us it is a tax on profit. But let us be very clear; the mining tax is a tax that is imposed at the point of extraction. At the point of extraction there is no profit. At the point of extraction iron ore has no value. The only way iron ore has value is if you can bring it to market—if you can put it on a railway and into a port and ship it somewhere where somebody wants to buy it and put it in a furnace and change it into steel. At the point of extraction there is absolutely no value, there is absolutely no profit. So what does this government do? It comes up with this complicated methodology, this complicated formula, to come up with an artificial construct of what profit is. But whatever bureaucratic, Canberra-like formula the government tries to come up with, there is no way around the fact that this is a tax on state property.

There are a lot more flaws that I would like to talk about but time is very short. I just want to make two more observations. The government is trying to make us believe that the superannuation increase will come out of Andrew Forrest's or Gina Rinehart's pockets straight into the workers' superannuation bank accounts. Nothing could be further from the truth. The increase in compulsory super will be funded by the workers and by
the small businesses across Australia; let us be very clear about that.

Before I close, let me say that the government have been keeping a lot of information secret that should have been provided. They have ignored a lot of Senate orders requiring them to table information. I will now move a second reading amendment to the effect that we should not as a Senate continue to consider this bad piece of legislation until such time as the government have complied with all of the outstanding orders for information. With those words, on behalf of the coalition, I move:

At the end of the motion, add:

but the Senate:

(a) notes that the Government has not complied with:

(i) the order of the Senate made on 1 November 2011, ordering the production of information relating to the cost of all measures attached to the mining tax over the current forward estimates; and

(ii) a number of other outstanding orders in relation to mining tax revenue estimates and related assumptions; and

(b) declines to consider the bill further until:

(i) the Government publicly releases all information it holds relating to:

(A) the commodity price and production volume assumptions it has used in respect of its mining tax revenue estimates; and

(B) the updated estimates of the cost of all measures associated with the mining tax over the forward estimates; and

(C) the cost estimate of its commitment to credit all State and Territory royalties against the resource rent tax liabilities; and

(D) the cost estimate of the upfront tax deductions able to be claimed by mining projects subject to the Minerals Resource Rent Tax on the basis of the market valuation method; and

(ii) the Senate has passed a resolution that the bills may be listed for debate.

(Time expired)

Senator URQUHART (Tasmania) (20:10): Australia is experiencing an unprecedented boom in our resources sector, specifically in iron ore and coal, which has delivered record profits to mining companies year after year. I want to take this opportunity to praise the great work of Australians who work in the mining industry. On the North West Coast of Tasmania, where I am from, many people work in the mining industry and related industries both in Tasmania and as fly-in fly-out workers. Mining is a success story and we need to celebrate it. But we must also recognise that our mineral resources are nonrenewable and that, together with the resource, a large share of the profit is actually shipped off overseas—resources that can only be dug up once, resources that can be sold overseas only once. All Australians should benefit from the sale of our resources, not just the few who are directly involved in the mining industry. It is vital that the community—who own the resources 100 per cent—gets a fair return on these resources, to strengthen our whole economy for the future.

As the mining industry is extremely capital-intensive, it actually only employs about 1.9 per cent of Australian workers. And, while profits in the mining industry grew by 262 per cent over the last decade, the mining industry has contributed only seven per cent to Australia’s jobs growth over the period. The number of new jobs in health and social services was almost four times that of mining during the decade. And, while the manufacturing industry continued the decades long trend of employment decline, it still employs over four times as many people as the mining industry. The metals manufacturing industry, which includes smelting, refining and producing metal products, has not been a significant beneficiary of the mining boom. Increased competition from Chinese smelters and
refineries, higher energy prices and the appreciation of the Australian dollar saw value-added in the metals manufacturing sector flat through most of the last decade. The export volume of processed metals fell over the decade as some processing facilities were shut down, with the weakness broad based across a wide range of refined metals. Further, the mining of bauxite, copper, gold, lead, nickel and zinc did not perform as strongly over the last decade as mining in iron ore and coal.

Because of the small number of employees in the mining industry and its capital-intensive nature, the share of the mining boom that has gone to workers is significantly smaller than if the boom had been in a labour-intensive sector. The mining industry is crowding out investment and pushing up labour costs across the economy. While this is great news for those who are investing in mining companies or have been lucky enough to secure employment with a mining company, for the rest of the population it means that the cost of finance is higher and the cost of employing staff is higher and therefore profits are lower. We need to find the right balance in promoting greater equity in our society without reducing economic growth.

Labor's answer is to take some of the super profits in such a way that it does not distort investment. The minerals resource rent tax is a step down this path. It shifts Australian mining from royalty taxes to a profits based tax. We will move to tax the economic rents that accrue to mining companies rather than simply the amount of minerals a company extracts. When prices rise, mining companies will pay more tax. When prices fall, mining companies will pay less tax.

A resource rent, or super profit, is the profit that is over and above a normal return on invested capital. In competitive markets like iron ore, coal and coal seam gas, the cause for this super profit is normally a combination of the rents that arise from three things: a mining company's skill in extracting minerals; the fact that some minerals are cheap to mine; and the fact that high prices arise when there are only a few suppliers of high-demand commodities. The first is due to the skill of the miner, the second and third are not. The 30 per cent tax has therefore been reduced by 25 per cent to 22.5 per cent to account for the miner's specialised skills. This is a fair approach.

This is a fair tax that addresses the problem that the Howard government could not 'fess up to. During the tenure of those opposite, royalties as a percentage of mining profits decreased from around 40 per cent to about 15 per cent. It works out to about $35 billion dollars that could have been invested for the benefit of all Australians. Instead, Labor is delivering tax reform to spread the benefits of the mining boom to all Australians and to strengthen our economy for the future.

Labor recognises the value of superannuation for both the dignity of working Australians in retirement and in building up our national savings. Our national superannuation savings pool is a tremendous asset to this country and we must continue to build it up. We are using the mining tax to boost the superannuation savings of low-income Australians by up to $500 per year by removing the tax on super for people earning up to $37,000. This will assist 3.6 million low-income earners, including 2.1 million women, in saving for a decent retirement. These low-income earners previously received minimal tax benefit from contributions to superannuation given that the 15 per cent superannuation contribution tax is above or equivalent to their income tax.
rate. This is a tax reform that helps those who need it most to save for their retirement.

We are lifting compulsory superannuation to 12 per cent for all Australian workers, increasing retirement savings by around $500 billion dollars by 2035. This proactive measure will assist around 161,700 people across my home state of Tasmania, and will continue this government's strong record of dealing with the long-term challenges of Australia's ageing population. The challenge is that people will spend longer in retirement and that there will be fewer workers relative to retirees. Acting now to boost the superannuation of 8.4 million Australians will ease pressure on the government's fiscal position in future years and, as the increase will be phased in with small increments over the next eight years, businesses will have time to adjust to the additional costs.

Labor is also using the revenue to boost critical infrastructure across regional Australia, including upgrades and expansions to make sure we can get the wares of all Australians to market. We are moving to cut company tax to 29 per cent for small businesses from July this year, and for all businesses in 2013-14, and to increase the small business instant asset write-off from $1,000 to $6,500. These measures will put $1 billion back into businesses nationwide and increase their capacity to create jobs.

We need a tax system that assists small businesses to grow and to create jobs across our whole economy, and being able to instantly write off assets valued up to $6,500 will be of significant cash flow assistance to those small businesses. Further, as the small business is growing, we will take less in company tax to enable it to reinvest the money and create jobs. It is remarkable that those opposite are so bent on being the 'no-alition' that they will not even support tax cuts to Australian small businesses and businesses that are not in the fast lane of the mining boom.

While Labor moves to provide these benefits to all Australians, the mining industry continues to flourish. Expenditure on mining exploration hit a record $1 billion in the three months to December 2011. Specifically, iron ore exploration expenditure was more than double the amount spent a year earlier and coal exploration was about 80 per cent higher. There is no evidence to suggest that the announcement of the minerals resource rent tax has materially affected investment and activity in the Australian mining industry.

I turn now to how the tax will work. A mining company calculates profits as revenue minus expenditure and allowances for each mining project at the extraction point. The extraction point is the point between upstream—the mining—and downstream—the refining and smelting processes. Profits for the purpose of the MRRT are calculated at this point to ensure that only the extraction of minerals and not any improved value of the resources is taxed through the MRRT.

Miners receive allowances in a number of areas, including state government royalties, to ensure there is no double dipping, for times when the mine has run at a loss and in immediate deductibility for their new investments to encourage miners to continue to grow. After this, if the miner's total mining profit from all its projects is above $75 million it will be subject to the 22.5 per cent MRRT, with a concession for those companies with profits between $75 and $125 million.

This reform continues Labor's tradition of being the party that encourages regional development and that governs in the interests of all Australians—not in the interests of a few mining magnates. This tax will see the
benefits of the mining boom shared across our community because it is our community that owns the resource and our community that should receive a fair share of the economic rents realised from extracting this resource. We will give a much needed boost to the retirement savings of Australians, particularly low-income Australians, and while we are at it we will give small businesses a tax cut and invest in much needed infrastructure in regional Australia. Labor understands that, for a stronger Australia, we need to bring all Australians along together. That is why I am very happy to support this legislation.

Senator XENOPHON (South Australia) (20:21): I will support with some reluctance the second reading of the Minerals Resource Rent Tax Bill 2011 and related bills, and in all likelihood I will support the third reading, although the passage of these bills is largely a foregone conclusion. I think it is important to set out the reasons for my reluctance, the concerns I have and the importance of monitoring the implementation of this tax.

Firstly, I reflect on Donald Horne’s great book The Lucky Country. That is what Australia has been called ever since Donald Horne—

Senator Farrell: What about The Education of Young Donald?

Senator XENOPHON: Senator Farrell, for whom I have great regard, has interrupted with a completely irrelevant interjection. Donald Horne called us the Lucky Country but he said so with a great sense of irony. He said we were the Lucky Country but we deserved better leadership. He said our leadership was not up to the task of governing the country—and that was back in the 1960s. I wonder whether that description should also apply now.

I think it is important that we should harness that luck from the minerals boom, but we should not kill the goose that lays the golden egg. I firmly believe that the mining boom ought to bring tremendous benefits to all Australians, but it is important that we do not squander those benefits. It is also important that this bill be implemented appropriately. If this bill has a number of unintended consequences, particularly for smaller and emerging miners as some have suggested, we ought to adjust or amend the bill as a matter of urgency.

The mining sector is generating huge amounts of wealth, as the Senate Economics Legislation Committee sets out in its comprehensive report. Profits in the mining sector have jumped 262 per cent over the past decade, and there is scope for the mining sector to pay more tax. But the design of that tax needs to be right. Senator Urquhart, in her comprehensive contribution, set out what a rent tax is. In common parlance it is basically a tax on super profits well above the average ordinary return on capital. That is what the Henry tax review initially raised. The Henry tax review is an important document which, sadly, the government has largely ignored.

I do not agree with assertions that this tax will drive mining companies away from Australia to other resource-rich countries. There is a clear worldwide trend of countries moving towards and increasing resource rent taxes. For example, Brazil, one of Australia’s major iron ore competitors, has proposed a 25 per cent special participation tax. However, I am concerned that the government needs to get the balance right. I do not think it has done so in the design of this tax. But I also believe in the phrase ‘the perfect should not be the enemy of the good’. This legislation is far from perfect, but I would not want us to throw away the potential benefits to Australians of mining companies paying a fairer share of tax.
It is also important to look at the effect on the budget bottom line. Senator Cormann touched on this in his contribution, and I think it needs to be reflected on. He asked whether this government has been responsible in the way it has harnessed the mining boom to date and dealt with the budget to date. Peter Hartcher, a senior writer for the *Sydney Morning Herald*, wrote about the mining boom in a column just a few weeks ago. I think it is worth reflecting on what Mr Hartcher said. He is a well-regarded and balanced commentator. He was critical of the opposition's policies and planning and of the Leader of the Opposition. Mr Hartcher wrote:

… that's not to absolve the government, either. Its budget policy is clearer than the opposition's, and so it should be—it's the one running the country. But its budget performance is feeble. Yes, Australia's projected federal government deficit of $37 billion this fiscal year is tiny by international standards. Yes, Julia Gillard and Wayne Swan promise to have the budget out of deficit and back into surplus next fiscal year. On the current plan, it'll only just be a surplus—$1.5 billion for 2012-13—but a surplus none the less. How can this be feeble? Consider our circumstances. First, the Labor government inherited surpluses and zero net debt, thanks to Peter Costello.

Second, look at the commodity windfall. The Reserve Bank runs an index of commodity prices. The Howard-Costello government produced 10 budget surpluses when the index was between about 40 and 50. Since Labor has been in power, the index has been between about 80 and 150. It now stands at about 140. In other words, this is a time of extraordinary bounty for a commodity exporter.

If Peter Costello could produce a surplus when the commodity price index was at 40, why is it so hard for Wayne Swan to produce one when it's at 140?

Peter Hartcher is a responsible commentator who has done the analysis. I think we should be concerned that we do not squander the benefits of the mining boom and that the proceeds are spent wisely.

I am also concerned about whether there has been adequate transparency in the design of the MRRT. Its underlying revenue assumptions seem to be best known by the three big miners and the government. It would be preferable for the government to release more information so that these assumptions can be tested. It would be preferable that there be greater transparency in the process. It is vital that we see just how much revenue will be generated so that we can make the best of it, especially if it turns out to be much less than the Treasury modelling of $10.6 billion over the first three years of its operation.

Another matter is the way that the tax was designed. We know that smaller and emerging miners are concerned that they will be disadvantaged and there will not be competitive neutrality in the mining sector. That concerns me. I do not want us to kill the goose that lays the golden egg. I think it is important that the effect on small miners is monitored and those small miners who could turn into big players in the future are not stymied and do not go elsewhere.

It is also important that we have a debate in this country about a sovereign wealth fund. It is too easy to blow the mining boom on spendthrift policies. We need to put money away for the future. The mining boom will not last for ever. The resources can only be dug up and sold once. But by putting this revenue in a sovereign wealth fund, we can ensure the benefits of the mining boom last for generations to come. As Senator Sinodinos said in his maiden speech:

Such a fund could also kick-start a genuine venture capital market … so that more Australian inventions and innovations can be commercialised here.
The member for Wentworth, the Hon. Malcolm Turnbull, has acknowledged:

Many countries, particularly those dependent upon single finite resource commodities, already have such funds—globally they are estimated to hold up to $4 trillion in assets.

This is the time for us to have a debate on a sovereign wealth fund. Given that our mineral resources are finite, why would we not want to preserve some of the wealth for our future rather than taking an approach which I believe is not fiscally responsible for generations to come?

It is also worth considering how revenue from the MRRT can be used to support small businesses. I believe there ought to be a bias towards small businesses. I agree, to a degree, with my colleagues in the Australian Greens that there ought to be a greater emphasis on giving more assistance to small businesses. This tax is supposed to facilitate small business tax cuts, but the sting in the tail is that it will only apply to businesses of $2 million a year in turnover. Some would say that is too narrow, too small a definition, and for fledgling businesses $5 million would be more reasonable. We know that small businesses are the driving force of job creation in this country. They are so significant in creating literally millions of jobs in this country. I think we ought to ensure that it does not apply just to incorporated bodies. It also should apply to sole traders, partnerships, family farms and a whole range of other small businesses, 70 per cent of which will not benefit from these tax cuts—and I think that is important.

The Henry review recommended that the company tax should be cut to 25 per cent. This bill will facilitate a package of measures much more modest than that. What concerns me is the huge number of small businesses run as trusts, sole traders or partnerships which would miss out on any benefits from the tax cuts. A whopping two-thirds of small businesses are not incorporated and thus will not benefit from the cuts. We need to give small businesses a break, but not just a select group of small businesses. It needs to apply to small businesses whether incorporated or not. The small business corporate tax cut was summed up perfectly by the executive director of Independent Contractors Australia, Ken Phillips, who described it to a news outlet as 'political fluffery'. So I am worried that we will not be restructuring our tax system in a way that gives maximum benefit to those that need it most.

I am concerned also about the way the tax was negotiated with the big mining companies, and I note that Treasurer Swan was quite critical recently of three mining magnates. I have never met Gina Rinehart or Clive Palmer, though I have met with Andrew Forrest. It is important to note that those three mining magnates were not responsible for derailing the government's earlier tax, its Resource Super Profits Tax, in the sense that it was not Gina Rinehart, Clive Palmer or Andrew Forrest but BHP Billiton, Rio Tinto and Xstrata that derailed the RSPT—which I think is now acknowledged to have been a very flawed tax in the way it was structured. I note that Mitch Hooke, from the Minerals Council, a formidable lobbyist and advocate for his industry, supports this package of bills—I think it is not with any great enthusiasm, but it is better than the alternative. That is a fair summary, I think, of Mr Hooke's position.

I am concerned about the fact that the states could play a role here—they could increase their royalties and that could distort this tax. If this bill is passed, we face a situation where, if states increase royalties, mining companies could reduce their mining tax bills. State governments in Western Australia, New South Wales, South Australia and Tasmania have either increased their royalties or announced plans to increase
royalties. This will have an impact on expected MRRT revenue, as I understand it. We can all imagine the fight that will ensue if revenue from the MRRT is less than expected because of states increasing royalties.

Mining magnate Clive Palmer has announced, I think as recently as last night on 7.30—and we all know the program we are talking about—that he will challenge the constitutionality of the MRRT on the basis of it being a tax on states.

Senator Ian Macdonald: He loves the carbon tax as well.

Senator XENOPHON: He loves the courts. The government may well be confident that its legislation will stand up to any challenge, but the government was also confident about its Malaysia solution.

Just a few months ago I had the pleasure of speaking and giving awards at the annual Tim McCoy Memorial Dinner in Melbourne, commemorating a brilliant young community legal service lawyer who died far too young. As part of that night I gave out awards to David Manne and his team from a community legal service that took on the federal government on the Malaysian solution. I spoke to them after the awards. I think it was about 35 days from the time they got a call from asylum seekers on Christmas Island to the time of the High Court's decision, and they worked around the clock. Now if a dedicated bunch of community legal service lawyers and barristers can overturn legislation that the government was very confident about, I dread to think what Mr Palmer, with his seemingly limitless resources, can do in challenging this legislation.

That is why I think there ought to be some transparency in the legal advice. It is important that we are reassured by the government with, at the very least, a substantial precis of the government's legal advice concerning the robustness of this legislation. After all, if this matter does end up in court, presumably that legal advice will form the basis of arguments that will be put to the judges of the High Court, and in that case I can see no prejudice for the government to outline its arguments in terms of any potential challenge to this legislation.

Senator Cormann is right, it cannot be the subject of a challenge in our system until after the legislation has been passed. Unlike other countries we do not have a system in which you can have a construction summons whereby before legislation is passed, before it is implemented, it can be the subject of judicial review or challenge on the grounds of constitutionality. I think the government will end up with more than egg on its face if Clive Palmer is right and the government is wrong on the legal position.

I would also like to hear from the government about the impact of the tax on small miners, particularly those emerging miners, and future investment. What modelling has been done? Does the government consider that there is not necessarily competitive neutrality in the basis of this tax? We can see that in the opportunity the bigger mining companies have to depreciate the significant market value of relevant project assets over a period of up to 25 years. This can be seen to give them a significant advantage.

I have reservations about this tax and a whole range of measures associated with it and its potential constitutionality. I hope that it does withstand a constitutional challenge because I think it is important that we derive the revenue from the mining boom for the public good. But I am also concerned about unintended consequences that could crimp investment in the mining sector, particularly among smaller miners. But, on balance, it is
important that we harness some of this mining boom for the broader public good. It is important that it be monitored on a regular basis to ensure that unintended consequences are dealt with expeditiously. I hope that this bill will deliver the benefits to Australians that it is intended to and that Australia continues to remain the lucky country, despite the obvious flaws in the structure of this bill. I believe that the perfect should not be the enemy of the good. While this bill is far from perfect, I believe it ought to be passed.

Senator SHERRY (Tasmania) (20:38): It is with the greatest pleasure that I rise to speak in support of this package tonight. My major contribution will be on the two superannuation matters. Most of the focus of this package has been on the proposed mining tax. In this new mining tax we have an important tax reform that will have important and positive consequences for the Australian economy. A lot of the attention has focused on the Minerals Resource Rent Tax Bill 2011 and the associated mining tax legislation and not on the package of tax reforms. The mining tax has received significant public commentary and debate, but this package, and the revenue that is derived from the mining tax, funds a number of very important tax reforms that will have a positive impact on the broader economy, tax cuts that are delivered in a range of different measures. This funds a cut to company tax for small, medium and large companies. It funds what is called a standard tax deduction, so millions of Austrians will be able to claim a standard tax deduction of $500 and $1,000 in the second year. This standard deduction will do away with the need for millions of Australians to fill in complex tax returns.

I have to correct Senator Xenophon. The mining tax does not just fund the company tax cuts—and I accept that only about two-thirds of small business are incorporated—it also funds the very important measure of the improvement in small business write-offs. Write-offs for small business will improve from $1,000 to $6,500. That is a substantial tax cut for small business. It has not had a lot of attention in this debate.

What is important is that this package of reforms is properly funded. Unlike the Liberal-National Party who run around talking about cutting taxes here, there and everywhere but do not have any way of paying for it, this represents an appropriately funded package. We have a set of tax cuts, which I have summarised, that is funded by the introduction of a mining tax. This approach is fair and reasonable. It is reasonable in the case of mining resources that are covered by the mining tax. These resources are owned by the Australian people and, where mining companies are experiencing a significant increase in profits as a consequence of the mining boom that they did not project five, 10 or 15 years ago, it is only reasonable that the broader Australian community should benefit.

The mining boom does create strains in the Australian economy. I will not go into the details, but they are well-known and have been debated. This mining revenue tax gives us the capacity to strengthen the Australian economy through cuts in company tax, through improved write-offs for small business and through the increase in the superannuation guarantee and some associated tax cuts. This is fundamental and major tax reform that is fully funded, that will strengthen the Australian economy, strengthen savings, lead to additional employment and assist in growing the broader Australian economy.

I have a quick comment about costings. When I was Assistant Treasurer sitting in estimates, Senator Cormann peppered the
officials with questions about costings. This is a costed package, costed by Treasury—

    Senator Ian Macdonald: Why won't you release the costings?

    Senator SHERRY: and Finance. It was costed in exactly the same way and usually by the same people in Treasury and Finance as costed taxing provisions under the former Liberal-National Party government. Senator Macdonald, if you had bothered to look at Senator Cormann’s questions at Senate estimates, all of the future budget estimates projections have been released publicly in exactly the same way that Treasury have released tax estimates in the past under the previous coalition government.

    Let me go to the two superannuation measures. As colleagues know I have had a long involvement with superannuation in my almost 22 years in this parliament. I had the privilege of being in this chamber when we passed the original superannuation guarantee charge, as it is known, and to be chair of the Senate superannuation committee back in 1992. Of course, compulsory superannuation was passionately—and irrationally—opposed by the Liberal and National parties. They have had a road to Damascus conversion on that measure. They have said that, whilst they will oppose it here, they will not reverse it should they ever be elected to government.

    We had all sorts of doom and gloom predictions from those opposite about the introduction of the nine per cent superannuation guarantee—it would destroy the economy and socialise it; union officials would take control; it would destroy real wages. We had all sorts of horrendous predictions—somewhat similar to the predictions we had on the mining tax, which turned out not to be true, and somewhat similar to the predictions we have had on the

claimed impact of the carbon tax—but they did not happen.

    In fact, compulsory superannuation is a very important social measure because for the majority of Australians it is a social gain, an addition to what is by any international standards a comparatively low basic government pension. Compulsory superannuation has added to the retirement savings of the six out of 10 Australians who had no superannuation. So it has a very important social policy impact.

    But in the economic sphere it has been a fundamental strengthening of the Australian economy. We now have, if you include Future Fund assets, almost $1.4 trillion in savings in superannuation. In fact, I think it is the fourth largest pool of aggregate retirement savings anywhere in the world. That savings pool of $1.4 trillion is approximately equal to the size of the Australian economy. It has had a very important positive impact on the economy. It has led to additional net savings, which is important in terms of growing the Australian economy. We are a capital-importing country. We need imported capital. We need to maximise savings to grow the Australian economy. So it has been a very important positive for the Australian economy and, in turn, has been very important in generating employment in this country.

    I am pleased to say the Liberal and National parties have discovered the superannuation positives. It has been a bit half-hearted: they will oppose the changes here but have said they will not reverse them. Senator Xenophon and others in the public debate about the mining tax have pointed out that we need a sovereign wealth fund. We already have a sovereign wealth fund. What we have is $1.4 trillion in savings in superannuation that we would not have had without compulsory superannuation. That is
long-term, future diversified savings for the future of individuals in this country. In effect, it is almost identical to what would be known as a sovereign wealth fund. So we already have that through superannuation in this country, and we are adding to that pool of savings with the measure in this package to increase the superannuation guarantee from nine to 12 per cent over the next seven years from 2010. It is estimated that increasing the superannuation savings from nine to 12 per cent for 8.4 million Australian workers will by 2035 result in an extra $500 billion—that is an extra half a trillion—in savings in superannuation that would not otherwise have occurred. In fact, the projections are that by 2035 we will probably have between $6 trillion and $7 trillion in superannuation. Depending on the growth rate of the Australian economy, that will probably be well in excess of the total value of the Australian economy.

Of course, this measure has to be paid for. An increase in the superannuation guarantee paid by employers does cost the government revenue because of the tax concessionality of superannuation. It will cost the government about $740 million in 2013-14 and 2014-15. So it has to be paid for, and one of the uses to which revenue from the mining tax is being put is the increase in the superannuation guarantee. It is critical to increase the guarantee from nine to 12 per cent because it will take the majority of Australians, together with their age pension—we have a means tested system—over time for the moneys to accrue, close to or in excess of 70 per cent of their preretirement income. Seventy per cent—about two-thirds of preretirement income—is the actuarial estimate of what is required for people to live in relative comfort in retirement. So it is an important social policy but also an important economic policy, as I have highlighted.

There is one other important change in this package that I want to highlight, and that is an important tax change which, in many respects—certainly in the short- to medium-term—is more valuable in respect of superannuation than the actual increase in the superannuation guarantee. This relates to an important tax cut for low- and low middle-income Australians. What happens at the moment is that, when superannuation contributions go in, everyone is taxed at 15 per cent on their contributions regardless of income. So obviously that is highly concessional for higher income earners and not quite so much for middle-income earners, but there is no tax concession relative to income tax treatment for low- and low middle-income earners. That is grossly unfair.

I notice the Greens have had a shot about tax concessions on superannuation, and there is validity in the criticism of the inequitable tax treatment of superannuation, but I point out to the Greens and to those listening that what we have in this package of bills is an important fairness measure. It effectively removes the 15 per cent contributions tax for those Australians earning less than $37,000 a year. They will receive a maximum payment, effectively a rebate of their tax up to $500. This means that some 3.6 million low-income Australians, who pay a 15 per cent contributions tax and overwhelmingly pay no effective income tax, will effectively no longer pay tax on their superannuation. Of these 3.6 million low-income Australians, 2.1 million—two-thirds of them—are women because of their income status. This is a very, very important fairness measure and, I have to say, it is an issue that I have mentioned from time to time in the public debate and I am particularly pleased to see tonight that we are redressing the tax imbalance and the unfair tax treatment that
applies to 3.6 million low-income Australians.

As I have mentioned, we have a funded tax package. What about those opposite? They are running around promising tax cuts here, there and everywhere, except in one area. They claim that they are going to introduce, as re-affirmed last week, a rolled-gold—no, platinum—benefit in terms of paternity leave. How is that to be funded? By an increase in company tax. But perhaps I should stand corrected; they have called it a 'levy'. When the Liberal Party increase taxes they do not call it a tax; they call it a levy. They hate to fess up that they have decided to increase a tax so they call it a levy. In the distant past, if my memory serves me correctly, when they wanted to tax superannuation they called it a surcharge. So the Liberal Party have delivered a tax increase promise, an increased company tax to pay for their platinum-plated parental leave scheme.

The Liberal Party do face some pretty essential contradictions. They say they are going to repeal the mining tax. They are going to give the $10.6 billion back to the mining companies, who actually want to pay the tax. They have agreed to pay the tax, but the Liberal Party want to give it back to them. At the same time, what do the Liberal Party do when they lose $10.6 billion? They will have agreed to an increase in the superannuation guarantee, they will have agreed to a cut to low-income earners' superannuation for 3.6 million low-income earning Australians. By the time of the next election I hope we will have approved the reduction in company tax, and I certainly hope we will have passed the tax reduction, the improvement in write-offs, for almost 2.7 million small businesses.

So what are the Liberal Party going to do? They are going to get rid of the mining tax, so they say. Are they then going to remove and effectively increase the superannuation contributions tax for 3.6 million low-income Australians? Are they going to increase company tax beyond what they promised? Are they going to increase tax on small business? If they do not reverse these measures and they repeal the mining tax, where are they going to get the $10.6 billion from? It will be interesting, certainly in the context of fiscal responsibility. I see my good friend Senator Mason over there grimacing. He knows the challenge of the Expenditure Review Committee in the opposition. They have got to find not just $70 billion in cuts; they have also got to find another $10.6 billion to make up for the lost revenue that they want to give back to the mining companies—who, as I say, have agreed to pay for it. They want to give those billions of dollars back.

Compulsory superannuation is a very, very vital and fundamental economic and social reform, and I have touched on some of the key elements. I do want to pay tribute to a number of people and I think it is important to put it on the record. Back in 1986, Bill Kelty and Garry Weaven were heavily involved in the test case for the initial three per cent. I want to pay tribute to them, and of course Paul Keating, who announced the superannuation guarantee. I am very proud to have worked with him. He had enormous vision. He was lambasted by the Liberal and National parties, as I said earlier. There were all sorts of absurd criticisms about destroying the Australian economy, cutting real wages and socialising the Australian economy. It did not come to pass, of course. In fact, compulsory superannuation was a significant positive for the economy. I looked at some comments by former Treasurer and Prime Minister Keating the other day. He said in 2007:
When you hear conservatives these days speak of superannuation as a tax on employers they are either ill-informed or they are lying. The fall in unit labour costs and the upward shift in the profit share during the period of the Superannuation Guarantee Charge is simply a matter of statistical record. It is not a matter of argument. Indeed, during the periods of increase in the superannuation guarantee it did not implode or destroy the Australian economy, it did not result in higher unemployment—all of the claims that the Liberal and National parties made at the time. Indeed, the Liberal and National parties makes the same claims about the mining tax. Even with the mining industry now, if you look at their commentary, there are constant announcements about increases in investment. Investment has continued to grow despite the debate about the mining tax and what I am confident will be the passage of this legislation here on Monday. So when it comes to the hard yards, the macroeconomic reform, tax reform, superannuation reform and carbon tax, there are lots and lots of criticisms by the Liberal and National parties but history shows that they are wrong. These reforms will strengthen the Australian economy.

Senator MASON (Queensland) (20:58): I rise this evening to speak about the Minerals Resource Rent Tax Bill and associated bills. One cannot address the mining tax and the effect it will have on mining and our economy without also speaking about the carbon tax, at least in passing. The mining tax and the carbon tax can be seen as part of the same project. They are part of a package that one would expect from the Australian Labor Party, the same old social democrat project. The party is one that is addicted to spending and to borrowing, addicted to debt and to taxing. If you need any reference, just look across at western Europe. The last thing Australia needs now or ever is Social Democrat economics or social engineering. The last thing we need is another re-run of European social democracy. With the carbon tax and the mining tax, Labor is trying to lead Australia down the path which, as the European experience shows, ultimately leads to decline and crisis. We know that.

In times of depression or when I need to be amused—I like to amuse myself—I open my drawer and I pull out an article from The Monthly, 'The Global Financial Crisis' by Kevin Rudd, published in February 2009. It is one of my favourite curios from the past. You might note its comforting sepia tones. It is hard to believe now, but just over three years ago, when Mr Rudd was Prime Minister, he argued that social democracy had to save capitalism from itself. Remember that? He was going to be the new President Roosevelt, the new FDR, because only social democracy could rescue capitalism.

Haven't things changed in the last three years? We now know that the only thing that can save social democracy, whether here or in western Europe, is a big dose of what they call economic rationalism and what many of us might call capitalism or liberal democracy or free trade. Social democracy cannot save itself. Mr Rudd's article in The Monthly in February 2009 was wrong in its fundamental assumptions that social democracy had to save capitalism, that nothing else could. Now it is the precise reverse. The only thing that will save western Europe and the social democracy project is liberal democracy and capitalism. Isn't that one hell of a change in a thousand days? The Labor Party and the Greens are still stuck in this Western European social democratic project and it is crumbling.

The fundamental problem with the Labor Party, the Greens and social democracy worldwide is very simple: it is structural...
debt, and that is unsustainable. It is far worse in Western Europe than the United States. Even before the economic crisis hit in 2008, Greece's public debt stood at 110 per cent of GDP; Italy's at 98 per cent. Now the Greek debt is almost 150 per cent of GDP and 18 OECD countries have public debt above 40 per cent of their GDP. Can you imagine that? That is the social democratic project. The experience of the past few years shows clearly that you cannot continue to borrow indefinitely in order to finance social welfare and recurrent expenditure. It is impossible. When the crunch comes, you are gone.

It is true, and the government is quite right to say this, that here in Australia we do not have the same mountain of debt as European social democracies. Why? We are very, very lucky that the Labor Party have only won one in every three elections post World War II. Can you imagine if they had won two out of every three elections since World War II? No matter what they say, always go on their performance in government. You have heard me say this before, Mr Acting Deputy President: what is the Labor Party's record on debt since Federation? Let me remind the chamber, though the Labor Party do not like being reminded about this. Since Federation, since 1901, for more than 110 years, every time the Labor Party are forced out of office they leave Australia further in debt.

If Australia had not been fortunate enough to elect conservative governments, Liberal governments, two out of every three times since World War II and it rather had been one in three as in western Europe, what would be the result of that? It would be mountains and mountains and mountains of structural debt. Thank God, we do not have that. The only thing standing between our country and structural, systemic, systematic debt is the Australian coalition. Thank God, we have won two out of every three elections since World War II, because every time this lot get into office they put Australia further into debt. That is a fundamental problem; that is the DNA of the Greens, the Australian Labor Party and social democracy in the western world. It has never changed and it never will change. That is the fundamental cancer within the Left in the western world.

Not only do they wreck the economy, but the Labor Party love to talk about social justice. What is the great bequest of Labor governments to the next generation? Let us reflect on that for a second. It is unemployment and intergenerational debt. That is what this lot leave to our children and our grandchildren. They have done that for all Australian children and grandchildren since 1901. That is the fundamental thread woven through Australian political history: every time this lot get in, Australia is further in debt when they leave. Senator Sherry can talk all he likes about Mr Keating and Mr Hawke—we will get to them in a minute—but that is the fundamental proposition that this lot can never, ever overcome. It is a problem in western Europe, and this lot reflect that.

If anything, of course, things have been getting worse. You might recall, and I know Senator Macdonald would recall, that it took Mr Hawke and Mr Keating 13 years to build up $96 billion in debt. They denied that we were in that much debt, but it took 13 years to accumulate it. For Mr Rudd and Ms Gillard, it took only four years to borrow even more than Mr Hawke and Mr Keating. That is Labor's attempt to Europeanise Australia, to make structural debt a permanent element in the new social democratic compact. What this does is ensure all interest groups are beholden to the state. They all put their hand out—and they have been doing this in western Europe since World War II—and what happens in the end? There is no money to pay the interest on the debt; they cannot even do that. Again,
thank God this lot has only won one in every three elections since World War II. If they had won any more we would not be in this position.

If you do not believe me, Acting Deputy President, you might believe our newest senator, Senator Bob Carr. What did he say in the Financial Review on Friday, 2 March 2012, in an article titled 'Social democracy crisis'? Senator Bob Carr said:

There is not much glow in the Labor past because there was never a golden age for Australian Labor.

Senator McLucas: Context!

Senator MASON: Read the article; I am not taking it out of context. He said there was far too much mythology, Senator McLucas. Senator Bob Carr knows, as we all do, that structural debt is the cancer within social democracy. He knows that; anyone with any sense knows that.

For the Australian Labor Party, it is always like 1972 and party time, and they spend our bequest. It was said of the French Bourbons that they had learnt nothing and forgotten nothing. For Labor it is even worse: they learn nothing and they forget everything. That is the problem, and it has been since World War II. For the last 4½ years Labor have been spending, borrowing and taxing. As American journalist Rush Limbaugh famously said, no country in world history has taxed itself into prosperity, particularly if it keeps taxing the most vibrant sector of the economy.

In their clearer moments, Labor correctly think that by raising taxes they can change people's behaviour. They are right; I do not disagree with that. If you tax cigarettes and alcohol, fewer people will smoke and fewer people will drink. I accept that. It is meant to change behaviour; it generally works. But somehow Labor think that by raising taxes you will not change the behaviour of miners—that you can tax them more and you will not change their behaviour. What the Labor Party believe is that, if you tax resources more, miners will keep extracting and exporting as if nothing has happened. Labor think that people, maybe even drinkers and smokers, are smart but miners are dumb and they will not change their behaviour.

Australia does not have a global monopoly on coal, it does not have a global monopoly on gas and it does not even have a global monopoly on iron ore. My colleagues know that. So when the prices of Australian resources become too high because companies have to factor in the carbon tax and the mining tax on top of all the other taxes, levies, royalties and licences and so on that they already pay, our buyers, whether from China, India or elsewhere, will go somewhere cheaper, to places that do not penalise their export industries with carbon taxes or extravagant mining taxes. That is simply a fact of business pretty much anywhere in the world.

On Monday the Australian reported:

Australia's global share of the capital raised for mining projects has sunk from 21 per cent to 15 per cent since 2008 as other countries such as Russia, India and China attracted tens of billions of dollars in additional funding.

But in the same period, the value of capital raisings rose strongly in Africa (up 26 per cent), Canada (up 31 per cent), South America (up 59 per cent) and the rest of the world (up 78 per cent).

Why would this be happening, I wonder. Why is everyone investing in resources projects in Africa, Canada or South America more than they are investing in Australia? Could it be because people are not stupid?

Senator Ian Macdonald interjecting—

Senator MASON: Senator Macdonald is right; people are not stupid, and they are
reluctant to invest in a country whose government is hell-bent on making its resources sector less competitive—and that has only been in the past three years, just based on jitters and fears about the future. Just wait for what happens over the next few years when these fears are finally realised, when the mining industry is actually sluged by the double-whammy of the carbon tax and the mining tax.

As I said at that outset, you cannot take the mining tax in isolation; we on our side know that. The carbon tax and the mining tax together are the twin pillars of Labor's new social democratic project, and in time they will have a cumulative, devastating impact on our economy. To paraphrase the Roman historian Tacitus, Labor create desolation and call it reform.

Just as the mining tax is built on a lie that somehow our resources sector is undertaxed, the carbon tax is built on a lie that it is in our national interest to have it, even if no other major country, major emitter or any other nation on earth has a carbon tax. Let me say that again slowly: the Australian Labor Party and the Australian Greens are the only parties in the world that operate in an energy-rich trade-exposed economy and believe that it is in our national interest to have a price on carbon, even in circumstances where no other nation on earth has a price on carbon. That is rubbish. Over time, they will be held to account for this. That is the great lie.

My colleagues, I know, are concerned about the lie told originally by Ms Gillard, that is true, but I think the greater long-lasting lie that will really wreck Australia's national interest is this inane, pathetic belief that, even if no other country on earth does anything with respect to carbon, it is in our national interest to do something. That is the great lie. Everyone else has said no, but the Australian Labor Party and the Australian Greens know better than anyone else on earth. President Obama said no. The Canadians, the Indians, the Chinese and the Russians all said no. But we say yes.

What is it about Labor leaders? For God's sake!

Mr Swan wrote an essay in *The Monthly* three years after Mr Rudd's effort. I did not waste my money this time, I could not cope; I went to the Parliamentary Library and they faxed it to me. Clearly, Mr Swan wanted to take attention away from the dismal performance of the government, bash the rich and create some sort of class warfare. You can summarise the article pretty well: mining magnates should shut up and pay up. That is what Mr Swan is saying. It is a funny thing though; there is a certain irony in all this. It is quite ironic that Mr Swan, the Treasurer, the man who has wasted more wealth than anyone else in Australia's history, is having a go at people who have created more wealth than anyone else in Australia's history. Think of the irony of that in a piece published in *The Monthly*. I do not think Labor leaders should do this because it is not good for them. Mr Rudd's piece, the sepia toned piece, became a curio within three years; Mr Swan's within three weeks. I urge the Prime Minister not to indulge in an essay in *The Monthly* because I suspect it would not last three days.

The problem is this: these bills are just another chapter in the dismal Labor project to tax and to spend. It will not end unless the Senate stops it. (Time expired)

Senator RHIANNON (New South Wales) (21:18): I strongly endorse the comments of Senator Christine Milne, who has led for the Australian Greens on this legislation.

Senator Mason: What about me, Lee?
Senator RHIANNON: We will come to that. It is essential that we pass on the benefits of the mining boom to all Australians. The legislation we have before us is but a small step to achieving this. Mining companies are doing well and can afford to pay, and it is worth remembering how easy it is for them to pay. Fortescue Metals announced a $1 billion profit, its largest so far. BHP has posted a $22.5 billion profit and much of that came from the minerals boom that is occurring in Australia. The financial pages have stated that the mining giant Rio Tinto has been hit by an $8.9 billion impairment charge relating to its aluminium business. But read on and you find out their underlying earnings rose by 11 per cent to $15.5 billion. So, whatever figure you take, they also can afford to pay the mining tax and, indeed, pay the original super mining tax that died along with the future of the former Prime Minister Mr Kevin Rudd.

As a senator for New South Wales I recognise this is an issue that needs careful consideration. The people and the economy of New South Wales have been on the downside of the mining boom. The impact is seen in manufacturing, tourism and education. We need a tax system that manages the uneven consequences. For New South Wales, and I am sure for many other states, we need a tax regime that promotes manufacturing and helps to manage the high Australian dollar. New South Wales, you could say, is at the bottom of the pack when its economic growth is compared to its decade average, with growth just nine per cent higher. In Western Australia it is nearly 30 per cent higher. There are many dangers associated with such a divided economy but there is little being done to address the problem.

It is vital that we use the boom in the mining industry to sow the seeds for longer term wealth for all. Many economic indicators reflect the uncertain times New South Wales is in. Jobless rates are above longer term averages, housing finance is down, real wages are flat to negative and equipment investment has slowed. The mining tax is a vital potential source of funding for much needed infrastructure in New South Wales. It could allow us to future-proof the economy after the boom. New South Wales has been notoriously weak on planning and weak on delivering infrastructure to the places that need it. Infrastructure is needed in coastal New South Wales—especially in Sydney, where population pressures are overwhelming the state's capacity to provide services. There has been a severe underfunding of new passenger and freight rail infrastructure in New South Wales over the past two decades.

In New South Wales the uneven economy caused by the mining boom is being affected by the loss of jobs, loss of skills, loss of industry capability and loss of state-wide economic activity. With manufacturing accounting for 10 per cent of employment, this area is deserving of considerable government attention. Take one area, transport manufacturing, to illustrate the problems facing New South Wales largely due to the mixed economy. A report, Transport manufacturing at risk: NSW industry action plan, prepared by the Australian Industry Group, the AMWU and HunterNet predicts that New South Wales could lose the capacity to build trains within five years.

The increasing exchange rates mean that it is more attractive to domestic customers to import high-value foreign goods than those made locally. Over time, this decreases the demand for skilled labour as production of high-value goods moves overseas. We would hope that this higher level of taxation can help drive industry plans for Defence
manufacturing and transport manufacturing, to give two examples that are crying out for management in New South Wales. A failure to spend money in this constructive way will result in a loss of skill and capacity in the area of transport manufacturing. The result that New South Wales loses the capacity to build trains is becoming a real possibility.

According to this transport manufacturing report, this could leave New South Wales dependent on overseas supply chains for critical transport infrastructure. As Senator Milne said, this tax should be part of the vision for a low-carbon economy where innovation skills and education are valued. Apprenticeships and skilled jobs would flourish if we could ensure that this vision becomes a reality. Governments should use this tax to drive such industry plans and to bring together industry, union and government representatives to review the effectiveness of government purchasing and procurement and to make recommendations to government departments about how to improve the capacity for New South Wales industry to tender competitively for government contracts.

Collaboration between decision makers would help to minimise the damaging impacts of market peaks and troughs, and we should require bidders to engage with local industry and to source components locally where possible. Used wisely, a mining tax would have a wonderful multiplier effect as jobs would be generated at a rate of about three to one throughout the industrial community for the supply of materials and specialty services when you develop transport manufacturing.

I have given emphasis to the manufacturing sector not only because it is important for New South Wales but also because it is a way to bring some balance to our mixed economy. The ongoing focus given to the mining industry continues the process of growing our investment in other sectors of the economy. This occurs as investors take note of the government's continued support and reliance on mining profits. This means that capital continues to flow to this sector to the detriment of others. Allowing this to go unchecked without a mining tax is likely to increase the vulnerability of other Australian exports by increasing inflationary pressure on Australia, leading to rising interest rates.

The mining boom is pushing up the Australian dollar and putting pressure on our major export industries. The energy minister states that last year earnings from energy and mineral exports reached a new level of $175 billion—an increase of 27 per cent on the previous year. Much of that resource wealth comes from New South Wales, and a share of those excess profits should flow back to New South Wales not just to the shareholders of overseas mining companies.

The mining boom threatens blue-collar jobs and the future of many sectors. For many years the Greens have called for a government-led transition away from coal. Coal-fired power has driven the New South Wales economy for more than a century, and on many occasions I have paid tribute to the mine workers who have made such a huge contribution in the mining industry, delivering for the energy systems of our state and, indeed, our country. But these mining jobs are now flatlining or in decline, and we now have the possibility of generating jobs growth at a much greater rate than has been achieved in the mining industry by switching to renewables.

This is the plan that New South Wales desperately needs. Public investment in renewable energy offers so many potential opportunities for manufacturing jobs in New South Wales, but we need serious public
investment to realise that potential. This is where there is a real responsibility for governments to drive the transition to clean energy and to the innovation that, again, Senator Christine Milne spoke so eloquently about.

The Labor-Greens climate package under the clean energy future package includes a contracts for closure section that will ensure 2,000 megawatts of coal-fired power generation will be shut down by 2020. The shift away from the coal industry is already starting in New South Wales. It is vital that the government plays a key role in driving this transition. Again, I cannot give enough emphasis to how important it is at this critical stage that the government is very hands-on so that we can ensure that the jobs growth—jobs that will last well into the future—is delivered.

Opportunities from developing alternative energy sources must include local and sustainable manufacturing jobs, not just jobs in technology and research. Tragically, in New South Wales at the moment so many of the contracts have gone overseas—particularly to China, where their manufacturing has meant that their industries in wind turbines and photovoltaic cells are going ahead in leaps and bounds and have left us in the shade.

The mining boom can also push up the cost of receiving a higher education and threaten the quality of that education. As universities experience a decrease in income from the fees of overseas students they need to find ways to cut costs, and too often this results in staff losing their jobs and costs being passed on to domestic students. This is no way to run a world-class education system. Government documents revealed in the Senate last year show that $2.5 billion per annum could fund free tertiary education. The lost revenue from cuts to the government's original planned mining tax would have allowed the government to offer free tertiary education to all Australian university students. There are so many opportunities here—opportunities that this house should be able to debate if the government had been willing to stick with the original fully extended mining tax.

It is essential that we pass on the benefits of the mining boom to all Australians in some way, whether that be education, infrastructure or sustainable new jobs. The expansion of mining across Australia and the massive exporting of our mineral assets is a one-off transfer of our nation's natural wealth. Unless the Australian people are properly compensated in this exchange, we will be short-changing future generations of Australians who are entitled to a stake in the nation's resources. We need to make sure that future generations share in the benefits of the current mining boom. That is the responsibility of government and it is a lead that we should be giving.

I think we should acknowledge that the original premise of the mining tax was advanced by former Treasury secretary Ken Henry and was a clear recommendation from the Henry tax review. I congratulate him for the work that he put in, and I think it is unfortunate that it has not been implemented in its entirety. I think we also need to acknowledge the massive misinformation that has come from the Minerals Council, from Mitch Hooke, from Gina Rinehart and from Andrew Forrest—all out there rabblerousing for their own self-interest. The name 'Axe the Tax' has become notorious and symbolic for people who put self-interest before the interests and needs not just of the people of our country presently but also of future generations. The mining industry has been a huge donor to the conservative political parties. We see this at a state level and at a national level. That influence is
becoming increasingly unhealthy, particularly as some of these mine owners now move into attempts to buy media companies. That is not what a democracy is about. It will just fracture the way our society should be able to operate. What is critical at the moment is that we are on the point of achieving a mining tax. Yes, it could have been stronger, but it is still an important step forward. I support the legislation.

Senator MARK BISHOP (Western Australia) (21:32): The detail of the Minerals Resource Rent Tax Bill 2011 and related bills has to date been adequately explained by a range of speakers. I will therefore limit my remarks to the strategic policy importance of the legislation, but I will also in passing address a number of issues concerning Western Australia. Fundamentally, these bills represent a change from royalty tax based on volumes to tax based on profit—that is, a profit beyond what might be considered a reasonable rate of return allowing for all development costs. The fundamental principle is that the resource being mined, sold and realised is a public asset and therefore the public ought to share in any excessive income or windfall gain. My impression is that this principle has been very well received by the Australian community—not just for the policy, of course, but also for the benefits to be provided by way of increased superannuation for retirement so funded.

Of course, we all know it is not supported by some sections of the mining industry. True, this is a very different paradigm to that operating traditionally in an industry often regarded as speculative and high-risk and subject to continuing volatility in world metal markets, not to mention difficulties in securing capital and sales in secure markets. I do think it is fair to suggest, however, that some of this risk has diminished simply through the emergence of China and the strength of Asian economies. The reward, though, is proving extraordinary. Some say this is only a temporary phenomenon, but I beg to differ. It is said that prices are falling and that capital is going elsewhere. It is said that other countries such as South Africa or countries in South America will become more attractive over time. There is no doubt that South Africa has enormous potential, but it remains very high-risk—governments with guns. But such potential competition will not reduce demand for Australian minerals. These are ad hoc and convenient arguments peddled by those antagonistic to the principles behind this legislation. They just do not stack up when examined.

I spoke recently in this place on the findings of Port Jackson Partners. I have also spoken on the importance of this growth for Western Australia, which is already enjoying the benefits and suffering the stresses. Port Jackson Partners acknowledges price reductions going forward, but in the face of ballooning export volumes it still confirms massive growth in export earnings from mining. These findings are also repeated in the Senate Economics Legislation Committee report which supports this legislation. The report, however, quotes not just Port Jackson Partners but also the Secretary of the Treasury, Dr Parkinson, as well as the Deputy Governor of the Reserve Bank. In summary, capital investment in mining is estimated by the Bureau of Statistics to increase this year by 50 per cent to $87 billion. The shift in the global economy away from Europe to Asia and its burgeoning middle class is already providing massive new demand for our minerals. The current reported slowdown in Chinese growth for the next financial year means that growth is down from nine per cent to eight per cent—hardly catastrophic. As for the competition, Australia’s transport proximity, security of investment and longstanding
Some also question the stability of the revenue stream from the MRRT legislation. That is the 'boom and bust' mentality which has long been a feature of mining in this country. According to the best analysis, however, it is highly unlikely to be the case in the coming decades. Over the past decade the average iron ore price has increased from around $33 a tonne to over $140 a tonne and perhaps come off 10 or 15 per cent in the last three months. Export earnings from mineral and energy resources are forecast to reach $206 billion this year, a 15 per cent increase on last year. In addition to this massive growth in investment, it is also predicted that export revenues could reach $480 billion per annum by 2030. In fact, mining profits have increased by 262 per cent in the last 10 years alone. Further, to achieve those sorts of investment returns, an investment of over $1.3 trillion will be needed. In short, I think the naysayers' analysis should be ignored and confined to history.

Let me return now to the policy principles of this legislation. The MRRT is called a resources rent tax—that is, where public assets are being exploited, companies are entitled to a return on their investment, given the high risk, but only to a sufficient level to maintain that investment incentive. Allowance is made for all labour costs, capital investment, land use and enterprise needed to produce a more than healthy return to shareholders. Royalties paid to state governments can be deducted. Many mines, in fact, will not reach the margins which trigger this tax—that is, a threshold, for example, of $75 million profit per annum. Some projects may return a loss, which can be offset later. In fact, it is estimated that, within the entire mining industry, only 320 companies are affected. I might also mention in passing that the rate of this tax is only 22½ per cent, and this allows significant surplus to accrue to the companies affected over and above normal expectations. It is thus a fairer means of taxation and will not in any way deter future investment. In fact, it is much fairer than the current royalty regime much pushed by some states. Royalties of course make no allowances for investment costs such as exploration, infrastructure development, mine operations or risk, not to mention higher admin and compliance costs. Dare I say it? There is a clear advantage in one single uniform tax like the MRRT in place of the royalty regime operated by the states. However, tonight, we will not go there. It is in fact disappointing to consider just how much of the efficiency in tax collection, especially many of the suggestions of the Henry review, are compromised by these difficulties of Federation.

This legislation has been thoroughly examined by the Senate Economics Legislation Committee, which I chair. The committee noted the extensive consultation which has been undertaken. The committee received 32 submissions from a broad range of people both from industry and the wider community. In short, the legislation has had an excellent hearing, with very, very strong support. The committee fully considered the revenue projections, as well as arguments concerning the likelihood of change in future investments. It considered and supported the extension of the petroleum resource rent tax, which is also dealt with to regularise and simplify that tax. Most importantly, the committee fully considered the purposes to which the MRRT revenue will be put. It is not just funding for the increase of the superannuation guarantee to 12 per cent, and...
related improvements; there are changes to small business taxation and write-off provisions. There is also simplification of depreciation rules and deductions for car purchases. The policy is sound and represents an important paradigm shift from the past. It represents the sort of innovation in government policy, especially tax policy, which is long overdue. It is rational, transparent and simple to administer. It is flexible such that it will always reflect circumstances in the economy and the market place with neither adjustment nor fiddling. Most of all, it is fair to the industry and provides significant benefits to the community as a whole.

Let me now turn to the controversy generated in Western Australia, as contrived by Mr Barnett, Premier of that state. Let us look at the facts. Western Australia is already under severe stress from the demands of the mining industry, especially labour shortages, which are not improving. Companies are reporting record profits—last year totalling almost $93 billion nationally. Massive amounts of capital are being invested. Let me give you some examples just in the north-west of Western Australia alone: $11 billion for BHP’s floating project Prelude; $7½ billion for the Jimbilbar Mine development in the Pilbara; $6 billion to be invested by Rio Tinto on new projects in the Pilbara; a $1.7 billion investment in the Hope Downs project; and $2 billion for the Argyle open pit transition and Cape Lambert port expansion.

It is worth noting in passing that BHP Billiton returned a profit result of $22.48 billion in 2010-11, representing an 86 per cent increase in profits. Rio Tinto announced first-half profits of US$7.6 billion, representing an increase of 30 per cent from the year before. Other projects in the pipeline are the Wheatstone LNG project, valued at $29 billion; the new Shell oil and gas project at Browse Basin, valued at over $12 billion; and the Fortescue iron ore project, Solomon Hub, in the Pilbara of $2.6 billion—which, I notice in passing today, raised over $2 billion in a bond issue at a coupon rate of 8½ per cent. So there is plenty of money going into Fortescue. Finally, there is the Anketell port project at $3.1 billion, not to mention the beauty yet to come—the massive Gorgon project, costing $43 billion. In all, there are around 40 projects located in areas as diverse as the North West Shelf, the Pilbara and the south-west of the state. None of them are threatened one iota by the MRRT. All of them have the capital committed, some are well underway, and none of them will be changed, altered, withdrawn or slowed down in any way by the passage of this legislation next Monday.

Let me also repeat the economic impact that this massive growth in the mining industry will create in Western Australia. Economic growth is averaging over 5½ per cent but, after the GFC, is likely to stabilise at the miserly figure of 4½ per cent per annum. Employment in the mining industry has grown from 26,500 to 100,000 in 10 years. Investment is growing at an annual rate of 20 per cent and is almost 30 per cent of the total national investment in a state which represents barely 12 per cent of Australia’s population. The value of exports out of Western Australia has doubled over the last five years and the output from mining and gas continues to grow. For example, iron ore production is up by almost nine per cent and LNG production is up by over eight per cent on prior years.

The demands of all this on both capital and skilled labour are obvious. It is estimated, for example, that Western Australia will need almost half a million extra workers between 2010 and 2030, right across all the relevant industries. Of this growth, only 16 per cent is for the mining
industry, with the remainder being largely in the service sector—that is, the support industries. Again, the MRRT bills we are discussing will not affect any of this. The service sector, in fact, employs more people nationally than the mining industry does directly. This includes engineering services, construction, communications, finance, accountancy, transport, shipping, insurance and the total range of government and commercial services across the board. In fact, these services are now clustering around the mining export industry specifically. They are not casual or incidental in any way, they are a direct reflection of investment in mining. It is a rapidly expanding sector in its own right, especially in Western Australia.

However, while the mining industry is good for Western Australia, not all Western Australians are currently seeing the benefit. North-west townships are struggling to provide basic services and facilities. It is difficult, and continues to be difficult, to attract doctors, nurses, teachers, police and other essential service providers when housing stock is so limited and very expensive. There are townships without cafes and other entertainment venues because local businesses cannot compete with mining wages. These are the sorts of issues that should be at the forefront of state government thinking. It is the state governments who employ doctors, nurses, teachers, police and council workers.

The silver lining, however—and there is a silver lining to this area of shortage—is the potential of local Indigenous people, whose participation is rapidly increasing. This is now becoming clear in the official statistics, although it is not yet well-understood outside of Western Australia. It is heart-warming stuff, simply because much of the past empty rhetoric is now becoming fact. Despite the optics of fly-in fly-out activity, Indigenous people offer permanence. They also offer the reality of more sustainable regional and urban development. It is a complete paradigm shift from the remoteness and isolation we too often assume is normal in that part of the world. Given the skills and the values and rewards of employment, there is no reason at all for local people not to assume a much greater role, assisted enormously by the now obvious fact that mining in the north-west has a strong sense of permanence—permanence that is going to build townships and provide jobs for 10, 20 and 30 years. Mining companies, it must be said, are now making a serious effort in skills training and in opening up employment opportunities, particularly to local Indigenous communities. Everyone involved in this very gratifying task should be congratulated.

As far as the federal government goes, we will ensure that Western Australians benefit from this boom. For example, like all other Australians, those in the west will benefit from the increase to superannuation. Western Australians will similarly see their employer contributions increase from nine per cent per annum to 12 per cent. For a 30-year-old worker this is worth an extra $100,000 in retirement benefits. Small businesses—and they are growing in their thousands in that state—will benefit from the streamlining of taxation, especially those benefiting from the current growth. The instant asset write-off alone will benefit 273,000 small businesses in Western Australia. They will also be able to write off every asset worth up to $6,500 and the first $5,000 of a new car. The Commonwealth will be able to invest in benefits for the people of Western Australia, and that includes mining communities struggling to get basic services. Royalty payments will not be affected, though the Premier's recent increase will inevitably backfire and will be the subject of discussion and conclusion, I am sure, in the GST
distribution report, even though state revenue is not affected in any other way.

Let me remind those listening that the MRRT taxes companies with profits over $75 million. It does not tax states, it does not tax regions, it does not tax individuals, it does not tax small companies and it does not tax partnerships. It taxes only companies with profits above $75 million. Of course, much of the revenue created will be returned to Western Australia by way of the Regional Infrastructure Fund. Projects like Gateway WA will deliver significant benefits to the roads around Perth Airport, with Commonwealth investment of $480 million on top of the $3 billion being spent by the Gillard government on transport infrastructure projects in Western Australia.

These bills represent overdue reform of the taxation system as it affects mining. They reinforce the principle of public ownership of natural resources. For too long these resources have been regarded as open slather, simply available for private exploitation—a finders keepers mentality. But, more importantly, they illustrate the benefits accruing to Australia which we need to manage carefully, invest carefully and not squander. Finally, we need to accept the economic shift. We need to understand the new industry and investment and social paradigm which the mining industry offers. These bills are part of that shift and I fully support them.

Senator WRIGHT (South Australia) (21:52): I rise to speak on the Minerals Resource Rent Tax Bill 2011 and related legislation. Ensuring a healthy environment and sustainable economic potential for its citizens, now and in the future, should be a key priority for any national government. Despite confected hysteria about sovereign risk and threats that mining companies will decamp to some other mining nirvana, we have before us this legislation, an extremely modest means of taxing some of Australia's precious mineral resources which are being extracted at an unprecedented rate in 2012.

It is with considerable reluctance that I am supporting this legislation which, in essence, is just a first step towards achieving a more efficient tax system so that Australians are able to share fairly in our nation's commonly owned rich mineral wealth. It certainly contains significant deficiencies. A pale shadow of its former manifestation, the resource superprofits tax advocated by the Henry tax review, it contains an effective tax rate of 22½ per cent rather than the originally proposed 40 per cent. And it fails to tax profits on gold, silver, diamonds, uranium, rare earths, nickel, copper, zinc and bauxite.

In Australia we are fortunate to be blessed with mineral resources that have formed part of our environment for billions of years. But the indisputable reality of these resources is that they are finite, non-renewable and can only be dug up once. Taking billions of years to be formed, they can now be mined, using modern machinery and technology, at a speed hitherto unknown to humankind—and, once gone, they are gone for ever.

The resources boom is generating enormous wealth and enormous disparity in its benefits. Who really pays the price? Some are benefiting hugely with billion-dollar profits. A small handful of mining magnates continue to climb the various rich lists and huge profits flow out of Australia to overseas destinations. Some Australians are benefiting moderately, but there are many others who are paying the price of this unprecedented minerals rush. There are those who are adversely affected by the high dollar and workforce pressures threatening their industries—exporters, manufacturing, farming, and tourism—and those who face increased rents, shortages of services and
displacement of their communities in towns that have been transformed almost beyond recognition by the mining boom.

At a time when we see a growing divide between the richest and the poorest Australians, there are many Australians who are being left behind in the two-speed economy generated by the mining boom. There are people who are failing to experience even the remotest trickle from the trickle-down effect. For these reasons it is absolutely incumbent on our generation to wisely and prudently manage the current and future windfall coming from the rapid extraction of our mineral wealth. We are but a blink in the history of Australia and we must understand that we hold this wealth, derived from our shared finite resources, not only in trust for this generation but for the future generations who will not have the benefit of these resources once they are gone. A sovereign wealth fund for future needs would be a prudent and fair way to make allowance for the needs of those who come after us, just as we would have wished if our forebears had had the ability to do what we are doing now.

The failure of this bill to include uranium, gold and copper is a particular blow to a South Australian senator who has recently seen the rushed passage of legislation through the South Australian parliament. This legislation will allow the world's richest resource company to dig not just the biggest mine in South Australia but the biggest hole in the ground ever dug on the face of this planet. Copper, uranium, gold and silver—huge predicted profits—and not one of these minerals will be included in the MRRT. The company, BHP Billiton, is smiling all the way to the bank. Its deal with the South Australian government requires pitifully low royalties, with no guarantee of one extra job in South Australia, and the government footing the bill for infrastructure to boot. The net economic return to South Australian coffers in years 10 to 20 of the project could be as low as $10 million a year, and that is even before millions are given back to BHP Billiton through federal subsidies such as the diesel fuel rebate. I believe that future generations will be disgusted with us for giving their resources away for a pittance and leaving them to deal with the enormous toxic legacy of managing the world's largest radioactive waste dump in South Australia.

The sad truth is that this bill is a wasted opportunity, stymied by a ferocious and hugely well-funded advertising campaign against the original RSPT. As a result we have $100 billion in revenue forgone over the next decade, revenue that could have been used to fund a healthier, fairer, smarter Australia through Denticare, the National Disability Insurance Scheme, income support that allows people to live with dignity, and a fairer quality public education system to ensure that all kids have a chance to reach their potential.

This bill is a first step towards creating a more efficient tax system, so that Australians can share the benefits and returns from their national natural resources. However, there is a long way to go. This bill could and ultimately must be strengthened. But in the meantime, on the basis that, this time, something is better than nothing, I commend the bill to the Senate.

Senator PRATT (Western Australia) (21:58): It is with great pleasure that I rise to offer a Western Australian perspective on these bills before us. Unlike my sensationalist colleagues on the other side, I would like to offer a view of how I believe these bills will spread the benefits of the mining boom throughout states like WA and build on the future prosperity of our WA economy and our national economy.
We have heard time and time again all manner of ridiculous claims from the other side about how the Minerals Resource Rent Tax will bring the WA economy down and is driving investment away. Nothing could be further from the truth. I think Western Australians realise just how silly Mr Abbott and the Liberal Party are when they make these claims. Western Australians know that we need to use these good economic times to plan for the bad times and to invest in the future. They know that the MRRT in this package of bills is the best way to ensure that this resource boom has more than a fleeting impact on our economy. No matter how much the state Liberal government in Western Australia keeps denying it—and they do like to deny it—there is no doubt that WA is experiencing an unprecedented mining boom. But this mining boom has meant good things for Western Australia. It has meant low unemployment, healthy wages, and opportunities for regional communities.

But the truth is that it is not all good news in WA. We are experiencing the strains of a patchwork economy just as much as other parts of Australia and in many ways we are experience it even more. Perhaps the biggest victim of WA's uneven economy has been our manufacturing industry, which is experiencing a very significant decline. It is the type of decline that could cause long-term problems for the viability of the manufacturing sector in WA. ABS data shows that we lost more than 13,000 manufacturing jobs in WA between May and August 2011. And to add to the picture, the youth unemployment rate in Kwinana, a major industrial hub in Perth's southern suburbs, has more than doubled since January 2008. The loss of these jobs, and particularly the loss of young people from the industry, means that we are losing a generation of skilled labour that our mining boom desperately needs.

We have a generation of people that are getting quite well paid for unskilled jobs in the mining industry, but they are not undertaking the training they will need to survive in the post-boom economy. It means that a generation of apprentices are out of the manufacturing industry and may never come back in. It means that, in an increasingly competitive global economy, we are about to become more uncompetitive in this crucial sector.

The WA Department of State Development paints a positive future for our state. It says that the $186 billion of projects currently committed to, or under consideration, in WA will create a massive 55,000 construction jobs and 17,000 permanent jobs. This is outstanding economic growth and I think a testament to the good work of my colleagues in the Gallop and Carpenter governments—and I was very pleased to work with them.

However, once these projects are built and in the production stages, what will the excess 38,000 workers do if we have offshored our high-end engineering and fabrication industries during the mining boom? There will no longer be a robust manufacturing industry for them to return to once the projects have moved on. So you can see here that there is a real need to make sure that we keep balance in our economy, which is exactly what these bills do.

This mining boom is also having unintended consequences on regional communities. Indeed, it is putting a major strain on community services and the cost of living in those communities, which are host to the problems of an influx of fly-in fly-out workers without the benefits of a permanent workforce. The Pilbara region in WA is at the centre of our mining boom. It is a place
of great opportunity. But houses there are among the most costly on earth to live in. In their submission to the current inquiry into fly-in fly-out workforce practices in regional Australia, the Shire of Roebourne pointed to a mounting number of social issues that have resulted from the mining boom. They point out that, in 2010, the median price for a three-bedroom home in Karratha was $761,000, with average rent at $1,300. Furthermore, when surveying their residents, they found that one in five respondents listed the cost of living as a reason to leave the Pilbara.

It is paramount that government finds a way of mitigating cost of living and housing pressures, but we can only invest in things like affordable housing and other measures if we have the taxation base we need in order to do so. And that is what this Minerals Resource Rent Tax is all about. It is about spreading the benefits of the mining boom to all Australians—as opposed to the Liberals, who think only of a privileged few they would like to benefit. That is why Labor has established the Regional Infrastructure Fund to take the wealth generated by the mining boom and invest it back in resource rich states like WA. That will ensure that our state's infrastructure keeps up with future resource projects, allowing us to take full advantage of new investments, allowing our population growth to keep up and allowing us to invest in the community infrastructure that we so desperately need. Just one example is our $480 million investment in the Perth Gateway Project, which will boost productivity in an economy that is so reliant on our transient workforce as people come and go from the airport. If any of you have been to Perth Airport recently, you will know just how much our infrastructure is in need of upgrading.

On top of that, our decision to increase employer superannuation contributions from nine per cent to 12 per cent will put all workers, and especially our lowest paid workers, in a better position when they retire. Unless we invest now in our state's infrastructure, in our national infrastructure and in our people, we will be limiting our nation's potential. It will amount to a lack of investment in infrastructure and that will mean WA's future projects bottleneck and lack of infrastructure will become too much to cope with. That is why Labor's plan for the Minerals Resource Rent Tax is crucial now.

I have to say that the opposition's campaign on this topic, the campaign of major vested interests, has been a campaign of dishonesty. So I would like to finish my comments by reflecting on what has been, I think, a very dishonest campaign, the most dishonest in recent history—the fear campaign mounted by the Liberal Party and its billionaire mates against this bill. These vested interests prefer to play with their soccer teams and trust funds—and they are more than welcome to do that—but this Labor government is going to get on with the job of governing for ordinary working Australians.

We hear over and over again from the Liberal Party that the Minerals Resource Rent Tax will drive investment away from Australia. That is simply not true. Last year, Fortescue Metals Group announced an $8.4 billion pipeline of new investment which will more than triple its current output. Since July 2010, Rio Tinto has announced $6 billion worth of new investment in its Pilbara operations. The idea that the minerals resource rent tax is going to hurt mining investment in Australia is a pure fiction. Investment in our state of Western Australia has skyrocketed. We had $47 billion last financial year, to $95 billion this year, and that is expected to total $120 billion in 2012-13. We have a massive $455 billion...
investment pipeline. Just listen to these numbers—they are massive. The resources sector in Western Australia accounts for almost half of this investment of more than $200 billion.

To cap all of this off, we now have the Barnett government rushing through a hike in royalties. The reason for this hike is clear. It is that the Barnett government did not recognise that Western Australia had failed to appropriately tax the mining industry for the benefit of all Western Australians. It failed to manage the emergence of super profits, much of which ended up offshore or in the hands of a privileged few. It is this precise problem that spurred Labor on to institute its minerals resource rent tax to make sure that the outdated system of state royalties was replaced with a modern, profits-based tax.

It is time to return a decent dividend to the nation that owns the wealth and to Australia's people. It is time for a tax that ensures all Australians get a dividend: in tax cuts for business, in superannuation and in the infrastructure that states like Western Australia desperately need to grow. For states like Western Australia to hike royalties now, knowing that the minerals resource rent tax is on its way, is too little, too late. It is plain politics; not good policy. They are trying to close the gate after the horse has bolted. Royalties are volume based, not profits based. They punish miners that are still trying to make a go of it, miners that, under our scheme, have to be compensated under our scheme—and rightly so, because this is actually about balancing the economy in the right and proper way.

To conclude, I think that the state government have rushed to cover up failing to tax effectively for the future. They have a bandaid solution that I think will cost Western Australia in the long run. It is an irresponsible way to govern. I very much support this suite of bills. I think they go a significant way to helping address the problems of a two-speed economy—a two-speed economy that is perhaps more profound in its impact on Western Australia than anywhere else in the country. This is in large part because businesses that are not part of the fast lane in Western Australia and attached to the mining boom are competing for skills, labour, property and capital with companies that are. These companies deserve tax write-offs; they deserve tax cuts. I commend the bills to the Senate.

Senator BILYK (Tasmania) (22:10): I rise to speak today on the Minerals Resource Rent Tax Bill 2011 and associated bills. Australia is blessed with natural resources. They have played a large role in the development of our nation and my home state of Tasmania. Tin, gold, coal and iron ore are just some of the resources that hardworking Tasmanians have extracted from our soil. It is these resources, in part, that made colonial Tasmania prosperous and funded the construction of many of the heritage listed sandstone buildings that line the streets of Launceston and Hobart.

Australia once again is riding a minerals boom. Western Australia is blessed with large reserves of iron ore, and Queensland with coal and gas, much like Tasmania and Victoria were blessed with large reserves of gold in the 19th century. While big mining companies are making super profits from the extraction of these resources, it must be remembered that they belong to all Australians, and their benefits should be used to enrich the future of all Australians, not just the mining corporations that extract these resources from the ground.

The Gillard Labor government recognises that all Australians should benefit from their resources. This is why we have introduced
the Minerals Resource Rent Tax Bill 2011 and the other associated bills. Australians deserve to have the money raised from the selling of their resources spent on improving conditions for small businesses to grow the economy. Australians deserve to have the money raised from the selling of their resources saved for their futures. Australians deserve to have the money raised from the selling of their resources spent on the critical infrastructure needed to increase productivity and build a better future for all Australians.

The MRRT will apply to all new and existing iron ore and coal projects and will apply at a rate of 30 per cent. A rate of 30 per cent will allow our iron ore and coal to stay internationally competitive. An extraction allowance of 25 per cent reduces the effective rate of the MRRT to 22.5 per cent. Under the MRRT, the government taxes positive cash flows, or mining profits, and allows miners to carry forward and uplift losses—unused deductions—for use in later years. The tax applies to profits attributable to the resource close to the point of extraction and therefore avoids taxing the value-adding of the miner after that point through such efforts as processing or transportation of the resource. As such, it is a tax on a limited portion of mining profits, unlike company income tax, which applies to all income.

The MRRT recognises the majority of upstream costs incurred by the miner in extracting the non-renewable resource. Under the MRRT, new upstream capital expenditure is immediately deductible. Unlike income tax, capital assets do not have to be depreciated over their effective lives. Companies that have existing projects will receive a partial tax shield, called a starting base allowance, in the form of an additional deduction. The purpose of the starting base is to recognise existing investment. The starting base for a mining project may be calculated using the miner's choice of either the market value or book value. The MRRT is designed to provide for the taxation of above normal profits from mining iron ore and coal. The MRRT moves Australia’s resource-charging regime closer to a non-distortive, profits based tax that focuses on Australia’s most significant bulk commodities. A profits based system will get a better return for Australia from its non-renewable wealth and do it in a better and more efficient way than state royalties.

The proposal to introduce an MRRT has not damaged mining investment, despite Mr Abbott’s claim that the mining tax would ‘kill the mining boom stone dead’. A number of major projects have been entered into since the announcement of the MRRT, and I heard Senator Bishop from Western Australia in here not that long ago listing a number of those projects and announcing that they had not been jeopardised one iota by the MRRT. So Australia is clearly experiencing a massive increase in mining investment. Taken together, all the available industry statistics point to an extremely positive outlook for the mining sector. Australia’s Future Tax System review recommended implementing a resource tax regime which taxes profits rather than production in order to recognise different mining costs across projects.

Under discussion today are also changes to the petroleum resource rent tax. The Petroleum Resource Rent Tax Amendment Bill 2011 will extend the PRRT to all oil and gas projects. This will provide certainty to industry and ensure broadly equitable tax treatment between competing projects. Having all petroleum projects subject to the PRRT will over time increase the amount of tax collected from these projects, improving the return to the community from the use of these valuable non-renewable resources.
The MRRT and PRRT have benefited from an exhaustive consultation process since the announcement of the heads of agreement between the government and industry on 2 July 2010. On 1 October 2010, the Policy Transition Group, led by Don Argus and Minister Ferguson, commenced the consultation process. The PTG travelled across the country for face-to-face feedback, receiving a large number of submissions on key design and implementation details. The legislation now before parliament implements the recommendations of the PTG and the principles outlined in the heads of agreement.

The MRRT draft legislation was released for two rounds of public consultation in July and again in September 2011, and the PRRT legislation was released for public consultation in August 2011. The PTG delivered its report with 94 recommendations to the Treasurer in December 2010. The government considers its resource tax reforms to be the best way of ensuring a better return to the community for the use of its most valuable non-renewable resources: iron ore, coal, oil and gas.

The net receipts from the MRRT are estimated to be $3.7 billion in 2012-13, $3.8 billion in 2013-14, and $3.1 billion in 2014-15. The revenue raised from the MRRT will fund vital initiatives that will help small businesses and individuals. Although the mining boom is resulting in large amounts of revenue entering Australia, it is also causing cost pressures in other parts of the economy. The government recognises that it is prudent to act to support other sections of the economy. I heard Senator Pratt not that long ago discussing the cost of housing and rents in some areas in Western Australia as a result of the mining boom. Revenue from the MRRT will provide a tax break for Australia's 2.7 million small businesses from 1 July this year. Around 2.7 million small businesses stand to benefit from the passage of the $6,500 instant asset write-off that will make their businesses grow.

One of the great reforms of the Keating Labor government was the introduction of the superannuation guarantee. This was a reform with a far-reaching vision for the future. This government also has the vision to see that an increase in the superannuation guarantee from nine to 12 per cent is a fundamental reform that is needed for an increase in the quality of living for retired Australians in the years to come. This government recognises that this is a vital reform for Australia's future, and that is what we are here to deal with: the future of Australia.

Around 8.4 million workers will enjoy a more secure retirement with the increase in the superannuation guarantee, and communities across the country will gain new and better infrastructure. These changes will also be better for the wider economy, with an expected increase in Australia's pool of retirement savings of $500 billion by 2035. This is a large amount of money that can be invested to benefit the economy and the Australian people. I am, however, disappointed that the opposition, the so-called 'party of small business', are opposed to the government's tax breaks for small businesses. They are opposed to the $6,500 instant asset write-off that will make small businesses grow. They oppose superannuation increases—increases that will help build a more secure future for Australians retiring into the future.

They oppose all these things because they are firmly in the grip of the mining industry. Those opposite are the pawns of the mining industry. They oppose giving small business owners a tax cut so they can give Clive Palmer, Gina Rinehart and Twiggy Forrest a tax break instead. They are a party that
represents billionaires and vested interests and they should hang their heads in shame that they are willing to allow the resources that belong to all Australians to be sold without a fair and equitable share going back to the Australian people. They should hang their heads in shame that they refuse to support small businesses in Tasmania, they refuse to support the retirement savings of ordinary Tasmanians and they refuse to support their own principles in reducing tax rates for small businesses.

The resource boom will not last forever. The iron ore and coal can only be dug up once, so it is vital that the Australian people get their fair share for these resources. The MRRT will ensure that they do. I commend the bills to the Senate.

Senator HUMPHRIES (Australian Capital Territory) (22:22): If I could only draw closer across the chamber to the Labor members who have spoken in this debate, I am quite certain that I would see little dollar signs flashing in their pupils as they talk covetously of the dollars which this mining tax is going to raise. Already we have heard Labor senators dishing out the benefits of this so-called mining tax to various objects and causes from Western Australia to Tasmania to every corner of the country. If this were some kind of bonanza for the Australian community based on tapping into some untapped resource that Australians had hitherto not gained any benefit from, I would sort of understand the dewy-eyed optimism which they have demonstrated with respect to this new mining tax that they are seeking to impose on the Australian community. But harder, more determined scrutiny of this tax demonstrates very much that that is not the case.

Let us be clear. The Gillard Labor government did not foreshadow this mining tax prior to the 2007 election when it went to the community promising to leave taxation arrangements pretty much the same as they were. At least it did not, as in the case of the carbon tax, expressly promise not to have a tax of this kind, but there was no indication before the 2007 election of a great big new mining tax. This government has now introduced this tax which will operate as a divisive, complex, unfair, fiscally irresponsible and distorting tax that will damage that part of the Australian economy which at the present time is doing extraordinarily well and without which Australia would be in a very much more parlous economic circumstance than it is today. When, during the life of the Howard government, the Labor opposition used to claim that we were not doing enough to capitalise on the mining boom, little did Australians realise—and little did Australia's mining sector realise—that what it meant was that there needed to be new taxes on the mining sector.

Let us be absolutely clear about this. The mining industry is already taxed. Like any business, it pays company tax. Like any business, its employees pay income tax on the money that they earn from being involved in that business. Unlike other businesses, the mining industry pays royalties to state and territory governments for the minerals that are dug up. So when mining companies are successful and make profits which are taxable under the normal arrangements, they are subject to processes which deliver a proportion of those profits to the Australian community. What this government wants to do is to add a new burden on those successful enterprises to create a tax grab which equivalent successful industries elsewhere in our economy do not face.

I pose this question which I hope one of the government speakers can answer for me: why do we have a mining tax on super profits, if you like, by mining companies but
no equivalent tax on banking companies that make enormous profits? We have all seen those extraordinary profit statements from Australia's leading banks describing billions of dollars worth of profit from time to time. Why do we especially target the mining industry for this kind of treatment and not other highly successful areas of the Australian enterprise system? There is no logic to this. It is the politics of envy. It is about plucking figures out of the air to justify the sense of envy that some people in the community obviously feel towards the great profits made by the mining sector at some times in its history and at some points in their profitability, without acknowledging that this sector makes enormous losses for long periods of time before it is able to produce those profits.

There are very few sectors which require such enormous and sustained investment in unprofitable activities for such a long period of time before they produce the kinds of profits which can produce benefits to the taxpayer when taxes are paid on those profits. By taking this new approach, which specially targets the profits of this industry and penalises it for making those profits, in a way which we do not penalise other sections of the economy, we run the risk of reducing the likelihood of incentive in the mining sector when times are not as good as they are right now.

There is no question that the Australian minerals and mining sector is extremely successful at the moment. You could probably dramatically increase taxation levels and there would still be incentives to go out and mine. But that may not be the case into the future. When, for whatever reason, some propositions become more marginal and there is a high-tax regime applying in Australia while, in some other countries that are effectively competitors to Australia that kind of regime does not apply and taxes are not prohibitive, Australian industries will miss out. Australian companies will not get the investment in them which they deserve. The Labor Party will have left a legacy which will effectively kill the goose that lays the golden egg.

I do not feel envious of these companies at all. I feel proud of these companies for the investment that they make in the future of this nation. I know that if we allow them to be profitable, to be enterprising and to drive into markets not yet fully developed, then we will have a successful mining sector into the future and it will benefit all Australians. This tax, which serves no purpose other than to retard them in that process and reduce potential investment in the sector, makes absolutely no sense whatsoever.

I think that the Senate should consider very carefully whether it is damaging, at this crucial point in our history, one of the most successful parts of the Australian economy in a way which can only lead to long-term loss of profitability in this key sector.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Furner) (22:30): Order! I propose the question:

That the Senate do now adjourn.

National Day of Action Against Bullying and Violence

Senator BILYK (Tasmania) (22:30): I rise to speak this evening about the National Day of Action Against Bullying and Violence, which this year is held tomorrow, Friday, 16 March. This national day of action occurs on the third Friday in March each year and is organised by all Australian education authorities through the Safe and Supportive School Communities project, which is managed by the Queensland government on behalf of Australia's
government, Catholic and independent school communities. Students and teachers are encouraged to wear orange to take a stand together against bullying and violence and hold local activities involving students and families to raise community awareness of the importance of taking a stand against bullying and violence in schools. The national day of action is supported by the Australian government, the Australian Communications and Media Authority, the ACMA's Cybersmart program, Kid's Helpline and Mix radio stations.

Bullying and violence, unfortunately, is still a feature of our schools and of society more generally. Bullying can take a number of forms, including physical, psychological, emotional, social, violence, and cyberbullying. Bullying in all its forms is an abuse of power by someone who is stronger in some way, whether it be physically, mentally, verbally, socially, electronically, politically or financially. The act of bullying can represent distrust, fear, misunderstanding, lack of knowledge or jealousy on the part of the bully—all factors that schools can address in positive and active ways.

Bullying can have a considerable effect on those who are bullied, causing cumulative layers of primary and secondary injuries. These include physical, psychological, social and identity injuries. Bullying can have a long-term effect on those who are bullied, affecting studies, careers, relationships and even financial wellbeing. It can cause severe post-traumatic stress disorder lasting many years. Those that are bullied may be targeted for a number of reasons, including those of gender, sexuality, cultural and linguistic diversity, religious diversity, disability, socioeconomic status, interests or who they associate with. It can occur regularly over months or years.

Everyone has the right to feel safe and respected, but we also have the responsibility to help guarantee these same rights for others. The focus of the 2012 national day of action will be on parents and families taking a stand together with school communities and recognising the important role everyone plays.

School communities should be positive spaces where students learn about who they are and their value and worth in relation to others. Positive changes can be made in school communities by incorporating support for individuals, by having fair and consistent expectations and by having approaches that address the deeper issues and encourage wellbeing for all individuals, groups and the whole school community. We know that school communities are addressing issues of bullying, harassment and violence. The national day of action helps school communities in this task by raising awareness and drilling to the core of some of these issues.

There are a variety of resources for the whole school, for the classroom, for parents and for students available at the Bullying. No Way! website, which can be accessed at bullyingnoway.com.au These resources include links to websites, fact sheets, teaching resources, T-shirt transfers and posters. There are also suggested activities for students, parents, a single classroom and the whole school.

As one of the key supporters of the National Day of Action Against Bullying and Violence, the ACMA are running a number of events around the country. These activities will focus on cyberbullying, with the use of social networking sites, mobile phones and texting central to the theme. These activities will include Cybersmart Hero activities in schools across the country and the promotion of their Tagged DVD,
which features cyberbullying as a core issue to schools. Cybersmart Hero is an anti-cyberbullying program developed by the ACMA. In Cybersmart Hero, students play the role of the bystander who becomes aware of a cyberbullying program at school. As the scenario unfolds, students are required to discuss the issues and make decisions about the responsible course of action. *Tagged* has continued to be very popular since its release, with over 5,000 hard copies distributed and 28,000 views on YouTube. I would like to take this opportunity to congratulate the ACMA on the news that *Tagged* has been accepted as a finalist entry in the New York International Film and Television Awards, to be judged in April. To have this film nominated for such a prestigious award is a great recognition of the outstanding work the ACMA undertakes.

The new Bullying. No way! website will be launched on the National Day of Action Against Bullying and Violence, which, as I said, is tomorrow. The new website will include some new innovative interactive applications, including a choose-your-own-adventure game for students to learn how to deal with bullying and videos for parents and students. The new website also includes dedicated parent, teacher and student portals, including resources for teachers and information for parents on their role in managing bullying. Students will soon have the chance to try out the popular avatar builder. Students will also be able to learn how to deal with bullying in their own portal, www.takeastandtogether.gov.au, also to be launched on the national day of action. To further support students, an iPhone application has been developed to keep strategies and tools for students close at hand. The app will be available free in the Apple app store from 16 March. This supports existing resources such as the cybersafety help button available for Windows and Mac, Android, Blackberry and Windows Phone 7.

The ACMA's Cybersmart unit encourages families and schools to work together to inform and protect their children by having conversations on the national day of action about cyberbullying and understanding the role that each person can play in stopping the bullying cycle. An outreach internet safety awareness online presentation will be held for students on the national day of action following the Victorian Department of Education and Early Childhood Development's 'Illuminate' platform. This presentation examines the potential risks faced by teenagers when online and focuses specifically on identifying and preventing cyberbullying. It also includes the related areas of positive online activity, positive friendships, being a positive bystander and safe social networking. Digital citizenship, including digital footprint and digital reputation will also be covered.

ACMA is also encouraging schools to screen *Tagged* on the day and to use the supporting lesson plans and videos. As has been mentioned, *Tagged* is a cyberbullying resource for schools that encourages young people to reflect on the real-life consequences caused by cyberbullying, sexting and a negative digital reputation.

Cybersmart outreach trainer Greg Gebhart will present a workshop at the Kids in CyberSpace seminar at the New South Wales Teachers Federation Conference Centre tomorrow. The seminar will cover cybersafety, online behaviour, digital culture and cyberwellness of young people. ACMA will also have a stand to promote Cybersmart resources and the national day of action at this event. The ACMA Cybersmart website will also feature posts from various perspectives, including school principal, parents and a Kids Helpline counsellor.
All children have the right to learn in a safe and supportive school environment that values diversity, an environment free from bullying, harassment, discrimination and violence. The government is concerned about issues such as cyberbullying in our schools. As such, the government has dedicated a significant amount of money—over $125 million—to its cybersafety plan. I am pleased that these funds can be used to support events, including the National Day of Action Against Bullying and Violence.

It is exciting that the National Day of Action Against Bullying and Violence provides an opportunity to promote the excellent cybersafety resources produced by ACMA. As Chair of the Joint Select Committee on Cyber-Safety I can assure the Senate that cybersafety is an important priority for this Labor government. We all have the right to be treated with fairness and dignity, whether in real life or online, and we all have a responsibility to keep others safe and to treat them in the same way—with fairness, dignity and respect. The National Day of Action Against Bullying and Violence is an excellent opportunity to raise awareness of these issues in our schools, in our communities and in our homes. More information about the National Day of Action Against Bullying and Violence is available on the Bullying. No Way! website at www.bullyinmgnoway.com.au and I would recommend that everyone has a look at it.

Fair Work Australia

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (22:40): If I wanted to pull teeth for a job, I would have become a dentist. Little did I realise in coming into this place that the skills of dentistry would be an essential requirement in the pursuit of Fair Work Australia. To get anything out of Fair Work Australia, Labor’s new workplace relations body, designed and built by Ms Gillard while she was workplace relations minister, has been akin to pulling teeth when it comes to the saga of the member for Dobell, Mr Thomson, and the Health Services Union.

Fair Work Australia has two simultaneous inquiries into the activities of the Health Services Union. They are now in their fourth year of investigation. The management of Fair Work Australia, the body charged with the task, was handed to a Mr Tim Lee, an ex-trade union boss. When he was put on the commission by Labor they backfilled his job with yet another ex-trade union boss. And when the presidency of Fair Work Australia became vacant another ex-trade union boss was appointed. That is the setting; that is the background.

This body, Fair Work Australia, is actually charged with overseeing registered organisations in the workplace relations space. That is right, including trade unions. So here we have a smorgasbord of ex-trade union bosses holding current trade union bosses to account. It works a real treat. It could not have been designed better but for the fact that Ms Gillard herself was an ex-trade union official.

Highly complex and detailed are these investigations, we must understand. They are so detailed that Fair Work Australia has spent over $1 million just on legal fees. It seems they seek legal advice to determine how to turn the page or where to place the staple in their documents. Even the Wood royal commission into the New South Wales police corruption issues only took two years and nine months. The Fitzgerald inquiry into police corruption in Queensland only took two years and two months. And yet the scandal swirling around Mr Craig Thomson, the member for Dobell, and the Health Services Union has been investigated and inquired into by Fair Work Australia for.
longer than the Wood and Fitzgerald inquiries into police corruption.

The administrative incompetence or institutional go-slow by Fair Work Australia has left it tarnished and belittled as a public regulator. During this incredible journey of obfuscation, delay and defiance by Fair Work Australia we have witnessed the refusal by Fair Work Australia to comply with the rules surrounding freedom of information, we have witnessed the refusal to comply with Senate requirements for correcting the public record, we have witnessed the refusal to cooperate with the fraud squads of New South Wales and Victoria police and—just when you think things could not get worse, yes they do—Fair Work Australia now refuses to expeditiously cooperate with a Senate committee request to make the report into the HSU No. 1 branch publicly available. We know the report is ready; we know Fair Work Australia said they will make the report available upon request; we know the report was requested; we know a Senate committee has confirmed this request; and we also know that Fair Work Australia, as at close of business today, still has not delivered the report.

Given the public embarrassment to which Fair Work Australia has subjected itself through these inexplicable delays in the Thomson and Health Services Union matters these last three-plus years, you would have been forgiven for thinking Fair Work Australia might actually respond immediately and expeditiously to a Senate committee's request made earlier today—but, no. For Fair Work Australia it seems there is no urgency at all. Late this evening I ventured that Fair Work Australia's ongoing stalling tactics were unacceptable. I also suggested that it might not necessarily all be Fair Work Australia's fault today. I made the suggestion that the report might be with Minister Shorten's office. This plan was categorically rejected as 'absolutely wrong' by Minister Shorten. It transpires that the minister's department has actually received it. What tricky sophistry. What devious obfuscation. It is a glaring example of telling the literal truth whilst telling the moral lie. The minister's office does not have it, but his department does. My apologies for getting it so absolutely wrong! Why could the minister not tell us that his department was actually in receipt of the report?

This is a government whose reflex reaction is to distort the truth whenever under pressure. Remember: Ms Gillard employed exactly the same tactic about whether Mr Bob Carr would be appointed as foreign minister. The reflex reaction was that the suggestion was completely wrong, but we know that this same Bob Carr fellow is now Senator Bob Carr and is foreign minister. Yet the suggestion was completely untrue. It is the same with Senator Wong and the appointment of Mr Gonski to the Future Fund. 'It was not the board's recommendation that someone else be appointed,' she claimed. You see, the board did not recommend; it simply said it wanted someone else—school debating sophistry at its absolute worst. Now we can add to this sorry saga of obfuscation Minister Shorten's fig leaf defence of denying his office has the report when his department does.

The delays, the obfuscation, the denials have gone on far too long. It must stop not only to restore some degree of confidence in the public regulator and institution that is Fair Work Australia; it must stop so that the long-suffering low-paid workers who are HSU members, courtesy of high paid fees to their union, get justice. The report into the Health Services Union No. 1 branch must be released urgently and the Thomson report must follow without any further delay.
Justice Reinvestment

Senator WRIGHT (South Australia) (22:48): I am taking the opportunity today to inform the Senate about two important events I co-hosted in my hometown of Adelaide last Friday. Along with my South Australian Greens colleague the Hon. Tammy Franks MLC, I invited the former Aboriginal and Torres Strait Islander commissioner, Dr Tom Calma, to visit Adelaide to speak with a group of interested stakeholders and MPs about the concept of justice reinvestment. As legal affairs spokesperson for the Australian Greens, one of my priorities is looking at ways to reverse the climbing rate at which we, as a nation, are putting people in prison. Justice reinvestment is a means of doing this.

On average, the Australian prison population has grown four per cent annually for the last 25 years. In my home state of South Australia, the prison population is now 40 per cent greater than it was 10 years ago. This is much faster than the rate of underlying population growth yet, if asked, people do not feel safer. Prisons are a huge drain on the public purse. Australia spent nearly $3 billion keeping people in prison in the 2009-10 financial year. But the real price of spiralling incarceration rates is the long-term impact imprisonment has on each prisoner, their family and their community. Prison is a temporary solution to criminality. Most people in prison end up leaving and then they almost always return to their communities, often in an even more dysfunctional state than when they entered. Australia's prisons have been described as a revolving door. The Australian Institute of Criminology recently reported that within two years of release 44 per cent of prisoners are either back in prison or on community correction orders.

But it is in Australia's Indigenous communities that the real costs of prison are felt most keenly. On the latest figures, Indigenous Australians are 18 times more likely to be imprisoned than their non-Indigenous counterparts. For young people aged 10 to 17 the figures are even more horrifying. Indigenous juveniles are 25 times more likely to be placed in detention than non-Indigenous youth. It is deeply troubling to me that Indigenous Australians make up only 2.5 per cent of the total population but account for 26 per cent of the adult prison population and approximately half of the total juvenile detention population. These statistics reflect a total failure of public policy in this area. They are both a symptom and a cause of extreme disadvantage. When it comes to young Indigenous people a whole generation is at risk, to the detriment of their communities and of all of us.

Australians are understandably concerned about crime and want to be safe, but increasing imprisonment does not make our communities safer. A new, ambitious criminal justice approach is needed urgently, and that is where justice reinvestment comes in. Justice reinvestment is about redirecting or reinvesting resources away from prisons into programs and strategies that are proven to prevent crime from occurring in the first place, so less crime makes communities safer and saves money. It is an old idea with a new name: the idea that prevention is better than cure. What is new is that this concept requires a new rigour, scrupulous data collection, analysis, consultation and evaluation. It is evidence based, not intuitive; and, as I will go on to show, it has been proven to work.

There are three elements to justice reinvestment: preventing crime by strengthening the communities where it tends to occur, diverting people away from jail by using other forms of punishment to avoid the
university of crime effect and preventing reoffending through effective rehabilitation, parole supervision and after-jail support. It is important to say here that justice reinvestment is not about no prisons. There are obviously some crimes which are so serious they do require a jail sentence, but there are also an increasing number of offences and sentencing practices, including mandatory sentencing where judicial discretion is removed, which lead to incarceration for many people where there is no benefit to the community.

Justice reinvestment is about taking a portion of the public funds earmarked for future imprisonment costs and diverting them into programs, services and activities in local communities which have a high concentration of offenders. The evidence is that a large number of offenders come from a small number of disadvantaged communities and, by strengthening those communities, crime will be reduced.

Properly applied, justice reinvestment has four methodological steps. The first is justice mapping: using data about crimes, convictions, jail and parole to identify the places which are home to a high concentration of offenders. In the US these have been labelled 'million-dollar blocks': housing developments which give rise to so many offenders that it costs $1 million a year to keep them in prison. This data is then cross-referenced with clear indicators of disadvantage and gaps in available services, and that helps to identify the underlying causes of crime in these communities. Second, the mapping is used to develop strategies which are most likely to reduce offending and imprisonment. The costs and potential savings associated with these alternatives are quantified. Third, these future savings are then invested in the high-needs communities. Finally, there is rigorous ongoing evaluation to measure the impact of reinvestment and the functioning of the criminal justice system as a whole. This is essential to being sure that investment really works to reduce offending and reoffending.

Justice reinvestment originated in the United States, which had a 700 per cent increase in its prison population between 1970 and 2005. People were not feeling safer, but budgets were blowing out. It was the savings in prison budgets that convinced both Democrats and Republicans to embrace the concept. Texas is a great example. Not known for its warm and fuzzy approach to crime, Texas had a prison population of 150,000 in 2006 and was facing a shortfall of 17,000 beds for this year, 2012. After implementing justice reinvestment in 2006, they closed a 1,100-bed state prison in 2011 and recently recorded the lowest violent crime rate in 30 years, saving $1 billion. Now 16 US states have taken up or are seriously investigating justice reinvestment. In June last year both Ohio and North Carolina introduced justice reinvestment legislation with overwhelming bipartisan support.

Over the last few years the concept has been gaining momentum in Australia, and various groups have been advocating for its implementation in Western Australia, the ACT, New South Wales and Victoria. It is a policy for all communities where crime rates are high. It is no surprise that these are going to be the most disadvantaged communities; and, sadly, it is no surprise that many of these most disadvantaged communities are Indigenous communities. We invited Dr Calma to Adelaide to kick-start a discussion about implementing justice reinvestment in SA, particularly as a way to reduce Aboriginal overrepresentation in the South Australian criminal justice system. I was gratified by the cross-party support for the briefing for South Australian MPs, which was co-hosted with my South Australian
Greens colleague Tammy Franks MLC, the Attorney-General, John Rau, and the shadow Attorney-General, Stephen Wade. If we are to get beyond cynical tough-on-crime rhetoric to deal with these issues then long-term, evidence based, multipartisan policy will be essential.

Over 40 people attended the roundtable, including members of the legal profession, victim and support services, academics, government representatives from correctional services and Families SA, and Aboriginal elders. A key theme was the utmost importance of making sure Aboriginal voices are heard in developing and implementing services and programs on the ground and ensuring that these are culturally appropriate and community driven. The roundtable agreed to establish a working group to advance the principles of justice reinvestment in South Australia. It is a good first step in the right direction on a very long road.

Criminal justice is traditionally seen as a state and territory responsibility, but there is certainly a role for the Commonwealth government. As with Indigenous health, education and employment via Closing the Gap, Commonwealth leadership is vital when it comes to criminal justice outcomes. As a first step I will be calling upon COAG to adopt a Closing the Gap target for reducing Indigenous imprisonment rates. This must be supported by a well-funded justice reinvestment framework. The time has come to embrace smart, targeted, evidence based solutions to reduce imprisonment rates and improve outcomes for disadvantaged communities. A serious and long-term commitment to social justice for our most disadvantaged communities is the surest way to empty our jails and, paradoxically, to make our communities safer.

Trojan's Trek
Senator GALLACHER (South Australia) (22:58): I rise tonight to speak about an initiative in South Australia called Trojan's Trek. For some current or ex-members of the military, coming back home and adapting to the normalities of everyday life can feel nothing short of a huge struggle. Today I stand to recognise and acknowledge the wonderful work of a unique program in South Australia which aims to deal with this issue by taking an interesting approach. Trojan's Trek is a program which aims to help current and ex-Army personnel who have returned home from service and need assistance in dealing with military induced stress.

Military induced stress is a serious problem which can have a long-lasting effect on the lives of both current and ex-military members and, by extension, their loved ones. Some people find it difficult to recognise or admit to having any form of mental health issue. Often they do not want to ask for medical help, and it can be hard to find alternative ways to deal with mental health issues. Currently, for those who are affected, there seem to be only two ways to deal with military induced stress—through counselling or pharmacology. But Trojan's Trek is aimed at providing a different way to help affected veterans return to a normal way of life in a non-clinical way.

Trojan's Trek is an initiative by the Royal Australian Regiment Association in South Australia. The program takes a practical approach to dealing with a serious and important issue. The direct purpose is to provide veteran-to-veteran and culture specific advice and support to those who require it. The key here is veteran-to-veteran contact. This means that people have someone they can relate to helping them, someone they can talk to and spend time
with. These are people who have either had to deal with or have experienced some of the situations and emotions.

Veterans arguably have a deeper bond than most other colleagues do. When on assignment their working hours are generally not nine to five. When on assignment they live and breathe the daily challenge. Many of these current and ex-service people have gone through some form of traumatic event. Trojan's Trek is about bringing a sort of normality to the experiences they had on service, or at least making it normal for them to talk about.

Military induced stress illnesses can have an effect on the way a person interacts with their loved ones when they return home from duty. For some current or ex-military personnel it can be very difficult to come back home and return to their old way of life, the life they led before they went into service. Some turn to drugs or alcohol as a coping mechanism. Trojan's Trek is a drug- and alcohol-free zone, which would certainly add to the challenges that some of the participants face.

The trek involves a group of people who are dealing with a range of different emotions. Some might be angry; many are probably emotionally scarred. Some might be finding it hard to continue with or maintain relationships with their partners, friends or family members. It is only natural that these issues come up, if you stop to consider some of the things that these men might have experienced.

Colonel Moose Dunlop is a Vietnam veteran who is the director of Trojan's Trek. He knows firsthand about all the stresses and struggles that those in the military can have in trying to adapt to a so-called normal life when they return home. He also knows firsthand how hard it can be to admit that there is a problem in the first place and then ask for help. He knows this because it took him 30 years to do so himself. That is one reason he is so adamant and passionate about helping those who need help.

Moose knows only too well the importance of speaking out and taking action against military induced stress and knows that Trojan's Trek is a unique and positive way of getting those who are affected talking. He says, 'We believe the bush is a great teacher due to the isolation.' And he believes that the bush, combined with the experience that these ex-servicemen have, is the ideal combination to be able to best help them.

Moose remains adamant that this program is not treatment for the veterans, but he says, 'We do provide advice from people who can walk the walk.' These men who need help and guidance are more likely to relate to other men who can understand their experiences because they have been through something similar, men who also had to come home and deal with the normalities of everyday life. Moose understands the importance of showing these men that they are not isolated or alone in their feelings of struggling to fit back into their old routines and their normal lives.

The 2012 Trojan's Trek will be held in September over six days in the Northern Flinders Ranges in South Australia. The limit for the number of participants for treks is currently 12 people. There were 11 participants in last year's trek, ranging from 26 to 64 years of age. These treks are suitable for current and ex-members, regardless of their fitness levels. 'The physical side is minimal. It is an emotional journey,' says Moose.

Moose believes that there is a demand for holding the treks more often; it is because of a lack of available finances that they are not held more often. Although Trojan's Trek is
based in South Australia and targeted at South Australians, Moose says that between five and eight per cent of the participants do come from interstate. He believes that this initiative needs to be expanded into other states around Australia and he believes that there is in particular a demand for such a program in Queensland. ‘It can be replicated in other states,’ Moose says. He adds that the biggest reason for not expanding the program into other states would be ‘financial restrictions’.

The treks come at no cost to the participants, which is why Moose and the men behind the organising of the event rely so heavily on donations and know the true importance of the donations. Trojan’s Trek is funded by donations from the government, corporations and individuals. Fundraising events like the Torrens Trek, a fundraising run or walk around Adelaide's River Torrens, also directly raise money for the event. Although large donations from organisations are essential to funding the treks, Moose says it is the little donations that sometimes mean more to him, because some of those who donate have hardships of their own and they still choose to support this program.

It is important to understand that Trojan’s Trek is not going to solve all of its participants’ problems in the space of six days. But this trek will allow those who participate to see that they are not alone in the way they are feeling. It will help them to understand that their thought patterns can be changed. It will help them to understand that they can adapt back to a normal life. It is about showing them that they can learn to live in the real world again, not about solving all of their problems at once. The issues run much deeper than that. But the first significant step is showing them that there is a support base for them.

There is a Trojan's Trek website which contains a video with all the details about the program. One former Iraq veteran, known as Townie, appears on the video, and I think he sums up perfectly just how helpful Trojan's Trek is. He said: 'The counselling sessions were clinical. Trojan's Trek was personal.'

Senate adjourned at 23:07