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SITTING DAYS—2012

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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
## Members of the Senate

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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

(2) Chosen by the Parliament of New South Wales to fill a casual vacancy 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

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<tr>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Julia Gillard MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister on Digital Productivity</em></td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister on Mental Health Reform</em></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Gary Gray AO MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister on the Centenary of ANZAC</em></td>
<td>The Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td><em>(Deputy Prime Minister)</em></td>
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<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>The Hon David Bradbury MP</td>
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<tr>
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<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
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<td>The Hon Sharon Bird MP</td>
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<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>Senator the Hon Don Farrell</td>
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<td>Senator the Hon Penny Wong</td>
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<td>(Vice-President of the Executive Council)</td>
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<td>The Hon Sid Sidebottom MP</td>
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<td>Minister for Tourism</td>
<td>The Hon Greg Combet AM MP</td>
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<td>The Hon Mark Dreyfus QC MP</td>
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<td>Minister for Human Services</td>
<td>Senator the Hon Kim Carr</td>
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<td>(Deputy Leader of the Opposition)</td>
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<tr>
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<td>Mr Darren Chester MP</td>
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<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
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<td>Shadow Minister for the Arts</td>
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<td>(Deputy Leader of the Opposition in the Senate)</td>
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<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
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<td><strong>Shadow Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
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<td>Shadow Parliamentary Secretary for Tax Reform</td>
<td>The Hon Tony Smith MP</td>
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<td>(Deputy Chairman, Coalition Policy Development Committee)</td>
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<td>The Hon Christopher Pyne MP</td>
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<td>(Manager of Opposition Business in the House)</td>
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<td>Shadow Minister for Universities and Research</td>
<td>Senator the Hon Brett Mason</td>
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<td>Senator Fiona Nash</td>
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<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator the Hon Ian Macdonald</td>
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<td><strong>Shadow Parliamentary Secretary for Local Government</strong></td>
<td>Mr Don Randall MP</td>
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<td>Shadow Parliamentary Secretary for the Murray-Darling Basin</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Minister for Finance, Deregulation and Debt Reduction</td>
<td>The Hon Andrew Robb AO MP</td>
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<td>(Mr Jamie Briggs MP)</td>
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<td>Shadow Minister for Defence and Personnel</td>
<td>Mr Stuart Robert MP</td>
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<td>Shadow Minister for Veterans’ Affairs and Shadow Minister</td>
<td>Senator the Hon Michael Ronaldson</td>
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<td>Shadow Minister for Seniors</td>
<td>The Hon Bronwyn Bishop MP</td>
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<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Mitch Fifield</td>
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<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td><strong>Shadow Minister for Small Business, Competition Policy and Consumer Affairs</strong></td>
<td>The Hon Bruce Billson MP</td>
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Wednesday, 14 March 2012

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9:00, read prayers and made an acknowledgement of country.

BUSINESS

Days and Hours of Meeting

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (09:31): I move:

That—

(1) On Wednesday, 14 March, Monday, 19 March, Tuesday, 20 March and Wednesday, 21 March 2012, any proposal pursuant to standing order 75 shall not be proceeded with.

(2) On Wednesday, 14 March and 21 March 2012, consideration of government documents shall not be proceeded with, and instead the routine of business shall be government business only.

(3) Divisions may take place on:

(a) Thursday, 15 March 2012, after 4.30 pm; and

(b) Monday, 19 March 2012, before 12.30 pm.

(4) On Thursday, 15 March 2012:

(a) the hours of meeting shall be 9.30 am to 6.30 pm and 7.30 pm to 11.10 pm;

(b) consideration of general business and consideration of committee reports, government responses and Auditor-General's reports understanding order 62(1) and (2) shall not be proceeded with;

(c) the routine of business from not later than 3.45 pm shall be government business only; and

(d) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

(4A) The Senate meet on Friday, 16 March 2012, and that:

(a) the hours of meeting shall be 9 am to 2.40 pm;

(b) the routine of business shall be government business only, and

(c) the question for the adjournment of the Senate shall be proposed at 2 pm.

(5) On Tuesday, 20 March 2012:

(a) the hours of meeting shall be 11 am to 6.30 pm and 7.30 pm to 11.10 pm;

(b) the routine of business from 11 am till not later than 2 pm, and from not later than 7.30 pm shall be government business only; and

(c) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

(6) The following government business orders of the day shall have precedence over all government business, be called on in the following order and be considered under a limitation of time, and that the time allotted for all remaining stages be as follows:

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<td>Fairer Private Health Insurance Incentives Bill 2011 and 2 related bills</td>
<td>commencing immediately until 6 pm on 15 March 2012</td>
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<tr>
<td>Minerals Resource Rent Tax Bill 2011 and 10 related bills</td>
<td>commencing at 7.30 pm on 15 March 2012 until 9.15 pm on 19 March 2012</td>
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<tr>
<td>Telecommunications Universal Service Management Agency Bill 2011 and 2 related bills</td>
<td>commencing no later than 11 am until 11.30 am on 20 March 2012</td>
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<tr>
<td>Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2012</td>
<td>commencing immediately after the preceding item until 6 pm on 20 March 2012</td>
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<tr>
<td>Higher Education Support Amendment Bill (No. 1) 2012</td>
<td>commencing no later than 7.30 pm until 8.15 pm on 20 March 2012</td>
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<tr>
<td>Road Safety Remuneration Bill 2011 and a related bill</td>
<td>commencing immediately after the preceding item until 10 pm on 20 March 2012</td>
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Notice of motion altered on 13 March 2012 pursuant to standing order 77.
I table statements of reasons relating to the Appropriation Bill (No. 3) 2011-2012 and a related bill and the Financial Framework Legislation Amendment Bill (No. 1) 2012, justifying the need for bills to be considered during these sittings and seek leave to have the statements incorporated in <i>Hansard</i>.

Leave granted.

The statements read as follows—

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

APPROPRIATION BILL (NO. 3) 2011-2012

APPROPRIATION BILL (NO. 4) 2011-2012

Purpose of the Bills

The bills request legislative authority for additional expenditure to be incurred in respect of 2011-2012.

Reasons for Urgency

Appropriations proposed in the bills provide funding for expenditure that is required to implement decisions and funding adjustments that involve further expenditure in 2011-2012, which have been agreed since the 2011-2012 Budget.

Passage of the bills before the last day of the 2012 Autumn sittings will ensure continuity of the Government's programs and the Commonwealth's ability to meet its obligations as they fall due. Should passage not be granted in the Autumn sittings, activities to be funded by the bills may be deferred or significantly delayed.
FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL (N0. 1) 2012

Purpose of the Bill

amend the Auditor-General Act 1997 to clarify that the Auditor-General may accept an appointment as the auditor of any company that the Commonwealth controls within the meaning of the Commonwealth Authorities and Companies Act 1997 (CAC Act);

• amend the CAC Act to ensure that directors of Commonwealth authorities and wholly-owned companies (other than Government Business Enterprises) prepare budget estimates as directed by me, and that, from 1 July 2012, directors of Commonwealth authorities (including interjurisdictional authorities) and wholly-owned companies notify the responsible Minister of decisions to do certain significant things;

• amend the Financial Management and Accountability Act 1997 (FMA Act) to clarify the commencement date for Special Account determinations; amend the operation of drawing rights; ensure that certain determinations relating to Special Accounts may take effect in a day specified in the determination if it is later than the last day upon which a resolution disallowing it could have passed; ensure that you cannot delegate the power to issue instructions under section 16 or make determinations under section 20; and

• update, clarify and align related financial management, governance and reporting provisions; and

• repeal 2 redundant Acts that contain special appropriations.

Reasons for Urgency

It is critical that the bill is passed in the Autumn 2012 sittings as a number of provisions have implications for the Commonwealth budget. Primarily, it is important that Schedule 2, Part 1 commences as soon as possible to ensure that estimates continue to be collected from Commonwealth authorities and wholly-owned companies (other than Government Business Enterprises) for the preparation of the 2012-2013 budget, which may be considered by the Parliament early in the Winter 2012 sittings. The other amendments to the CAC Act are timely, to ensure that Commonwealth authorities and wholly owned companies continue to advise the responsible Minister of significant business events, which may have implications for the budget. The proposed amendments to the FMA Act clarify the Finance Minister's delegation powers, which may be needed to obtain financial information and data for the preparation of the 2012-2013 budget.

Senator JACINTA COLLINS: The motion we are debating organises the legislative program for the remainder of the sittings. Senators would be aware that it is not unusual for such a motion to tightly order the business of the Senate in the last few sitting days of a session. Some senators, particularly those from the opposition, may not appreciate reasonable attempts to manage time, but I will address that in more detail later. The motion allows reasonable time for debate on significant bills. Assuming that the opposition does not waste the Senate's time on suspension motions or other procedures to distract from debating legislation, once this motion is dealt with it will allow reasonable time for debate of major legislation. This is our job.

The Minerals Resource Rent Tax package will have over 16 hours of debate. The Fairer Private Health Insurance Incentives package will have over eight hours of debate. The motion is structured to allow for several hours of debate on the other more significant legislation listed, with relatively short debate times on legislation that is recognised—and I stress recognised—to be non-controversial by all parties.

I understand that dealing with this number of bills for the autumn session may place limitations on time and that is not ideal. This will not be supported by many in this place, particularly the opposition. I also understand that the chief role of senators is to legislate,
as much as those on the other side might mock. Too often our time in the chamber is taken up with ad hoc motions, daily MPIs and speeches on bills with little relevance to the actual subject of the legislation. I will return to the MPI statistics which obviously interest those on the other side.

Senator Fierravanti-Wells: Standing orders allow this; perhaps you've been away too long!

Senator JACINTA COLLINS: 'Focussed and productive use of time' is not a phrase that springs to mind when I think about debate in this place in recent years. Typical of the way we pass our time was the debate yesterday seeking to refer the fairer private health bills to yet more—and I stress yet more—committee examination. I note on today's Notice Paper there is a further motion seeking to refer the MRRT bills. Such motions do not provide substantive discussion on bills and are at the expense of debate on legislation.

Senator Ian Macdonald: Nonsense!

Senator JACINTA COLLINS: The motion before the Senate gives us time to legislate 16 packages. Yes, the motion structures the Senate's time and limits debate, but at least half of these 16 packages are virtually non-controversial. They could be done expeditiously if the opposition were more responsible managing their time. Instead, the opposition is unable to reasonably manage their contributions to debates. It is time to realise that contributions on bills that have been identified as non-controversial are at the expense of debate on bills where there is real disagreement and where substantive policy matters could be developed. But no, they do not take this path. Instead gratuitous contributions are made to debate, and there are daily MPIs and repeated attempts to refer bills to committees meaning that motions restructuring the time of the Senate could virtually be unavoidable.

Senator Abetz: Do we need your permission for an MPI?

Senator JACINTA COLLINS: I do not want to take too much time—and no, Senator Abetz, you do not need my personal permission, but it is worth putting some of the opposition's tactics on record. As I said, I will return to the issue of MPIs. No new information is being provided to debate by the opposition. Debate is not treated as an opportunity to outline alternative policies or savings. It is just a political discussion on the theme for that week. Yesterday's MPI was itself reckless and profligate. Yesterday's MPI was by its own definition the problem I am highlighting. Since the spring sittings the coalition have had 20 MPIs. This is 20 out of a possible 37 days, wasting 20 hours of time in the Senate on motions that are almost on the same topic—no creativity, repeating the same topic time and time again. In contrast the ALP in 2007 had only four MPIs in the entire sitting the year, eight in the entire 2006 sitting year.

Senator Bernardi: Lazy!

Senator JACINTA COLLINS: 'Lazy!' the senators on the other side throw out—lazy to spend time on MPIs rather than legislation. They may want to argue that our time here in this chamber is not about legislation, and I challenge them to do that, but I am perfectly satisfied with that point. As senators, we are here to legislate.

This year we have had four MPIs in seven sitting days—as many as Labor had in an entire year. How can the Australian people take the coalition seriously with this reckless waste of time? There has been no proper debate and there have been no proper issues, just mindless attack and negativity—Mr No comes to the Senate. The coalition is using whatever means it can under the standing
orders of the Senate to stifle debate, to truncate government legislation time and to grandstand, and I anticipate we will have more of that today. The coalition has no interest in debating, reviewing or engaging with the policy challenges facing our country. It uses every delay tactic and every opportunity it can find to slow down business in this place.

Senator Abetz: What?

Senator JACINTA COLLINS: You do. We have seen this with wasted time during non-controversial legislation. Senator Fifield asked me to name some examples. Wasted time during non-controversial legislation is another example to add to the prolific MPIs we experience these days in this place. The Australian people should expect nothing less than vigorous debate on legislation in this place, not repetition of tired, worn-out rhetoric. In times of great challenges to the world economy, the coalition is spending time recycling the same hypnotic lines.

As one example, the fairer private health bills have been before this chamber on two previous occasions. The government has been consistent in its policy approach, and it should come as no surprise to the opposition that it is a key priority for the government to have these bills passed. On previous occasions the Senate has already spent more than 12 hours debating changes to private health in this country. It is time for delivery and for some fairness in the way we allocate health resources.

The MRRT package has been in the public domain for almost two years. Later today the Senate Economics Legislation Committee will hand down its report on this package. The legislation has benefited from two separate policy review processes, including by independent tax experts. There have been two rounds of consultation on the legislation and three parliamentary inquiries as well as the Senate legislation inquiry. In total, we are likely to have over 40 hours of parliamentary debate on the package.

It is time the Australian people were given their fair share of the mineral resources they own. It is time the 2.7 million Australian small businesses got a break. These small businesses need a break. It is time 8.4 million Australians got a boost to their retirement savings, rather than tired, old rhetoric from Mr Abbott about union participation. It is time we invest in critical infrastructure to support our economic growth, and it is certainly time that those opposite got out of the way and let it all proceed.

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (09:41): I have to say that I miss former Senator Arbib. In retrospect, his was a brief but glorious period as Manager of Government Business. We have just been subjected to a lecture, and let me sum it up in this way: that scrutiny of legislation in the parliament is a courtesy extended by the executive. That is essentially what Senator Collins said.

In all seriousness, I want to congratulate Senator Collins and also express some sympathy to her. This is Senator Collins's second day as Manager of Government Business, and she has been so quick out of the blocks to get a guillotine under her belt that she has done a hamstring. It really is an Olympic-class effort by Senator Collins. She has outdone her predecessor. As I said, Senator Arbib had the role for about a fortnight, and he was a much maligned hatchet man. I think he was often characterised in a very unfair way, but never
in his two weeks as manager did he once put forward a guillotine—not once. Senator Collins has outdone him.

The thing that really struck me about what Senator Collins said in her contribution was that it is usual in the last few sitting days of a sittings period that there be some time management. Can I point out a basic fact to this chamber: today is the ninth sitting day of the year. We are not talking about the sitting week before the mid-year break. We are not talking about the final parliamentary sitting week or fortnight of the year. We are talking about the ninth sitting day of the parliamentary year. We can count that on our fingers: one, two, three, four, five, six, seven, eight, nine. That is not very many days. We are not very far into the parliamentary year, yet already the government is crying and screaming that the opposition is being obstructionist, that the opposition is being difficult and that, heaven forbid, the opposition is availing itself of opportunities provided for by the standing orders, like MPIs. Shock, horror! What an outrage! Are we meant to feel chastised by Senator Collins that in some parliamentary years when Labor was in opposition it only had three or four MPIs? To me that says that those opposite were lazy. They were bone-lazy not to avail themselves of the opportunity, as a parliamentary opposition, to scrutinise the government of the day. They sat back and let those opportunities fly by. It seemed like too much hard work. We take very seriously the role of accountability in this chamber. We take it very seriously, and we make no apology for taking all of the opportunities that this parliament provides to give scrutiny to this government, whether it be through MPIs, question time, seeking to refer legislation to parliamentary committees or other forms of scrutiny. We will take each and every one of those opportunities.

This government could have debated some of the matters which are subject to this guillotine motion already this year. Even though we have only had nine days they could have debated the private health insurance rebate legislation previously. They could have debated that in the last sitting week but they did not list it. Why?—because they kept listing, time and again, the National Radioactive Waste Management Bill. More than 10 hours were spent debating that particular piece of legislation. You might have noticed, Deputy President, because you were in a chair for a fair bit of that, that the opposition did not have many speakers in that debate. It was essentially a Labor-Greens forum. No-one can accuse the opposition of having filibustered, talked that out or unnecessarily delayed that piece of legislation.

So, if this package of bills, which the government is so keen to get through so quickly, was so important to them they could have availed themselves of the opportunities provided by the previous nine sitting days in this place. They did not do so. So we cannot accept—we will not accept—the accusation that, on day 9 of the sitting of parliament for this year, for some reason it is the opposition's fault that the government's legislative program is in disarray. We will not cop that for a second.

I have to say this: this is one of the most extraordinary performances which I have seen from a manager. Usually that sort of confected outrage builds up over time, is savoured by a manager of government business and is delivered mid-way through the year or towards the end of the year. But this is a complete fabrication, which we will not accept for a second.

Senator Collins spoke about the role of the Senate and the opportunities that it provides but it is very curious that in the motion
which is before us poor old Senator Xenophon loses his general business time. Let me let you in on a surprise Deputy President: the Australian Greens do not lose their general business time according to this motion! Poor old Senator Xenophon cops it in the neck but we know that nothing happens in this place without Australian Greens approval. Their time is preserved.

Senator Abetz: They dictate it.

Senator FIFIELD: They do dictate; Senator Abetz is right. It is also interesting to note that none of the pieces of legislation which are of particular interest to the Australian Greens are subject to the guillotine. The Stronger Futures piece of legislation, which I know the Greens have a great interest in is—surprise, surprise!—not listed to be subject to the guillotine, but these other pieces of legislation are.

Deputy President, I know you are pretty good with maths in your head but I just want to take you through the timings which are provided for each of these pieces of legislation. The Fairer Private Health Insurance Incentives Bill has about 10 hours and 20 minutes. You might think that 10 hours and 20 minutes sounds pretty reasonable for debate on a piece of legislation but you have to consider the background—the context—of a particular piece of legislation. The members of the Australian Labor Party, you will recall, went to successive elections putting their hands on their hearts and swearing that they would not alter the private health insurance rebate one bit. I think Kevin Rudd said, 'Not one jot; not one tittle.' I am not sure what that meant, but he said it. I took that to mean that it would not be changed in any way, shape or form. I think that is the only way that you can take that phrase, 'It won't be changed—not one jot; not one tittle.'

I remember Nicola Roxon putting her hand on her heart, staring down the barrel of the TV camera and saying, as previous shadow minister for health: 'We have no intention. We won't change the private health insurance rebate. We won't scrap it. We won't means test it.' Julia Gillard, when in opposition, said the same thing: 'We won't scrap it. We won't means test it.' Kevin Rudd said the same thing: 'We won't scrap it. We won't means test it. They said it before that election and guess what they did. They then said, 'We want to means test the private health insurance rebate.' They were defeated in this place time and again but last election, if you go through their health policy, you will not find reference to it. They have never taken to the Australian people at an election a proposition to either abolish or means test the private health insurance rebate.

Senator Abetz: What about a carbon tax?

Senator FIFIELD: We will get on to that Senator Abetz, don't worry!

This legislation will be a punch to the solar plexus of Australian health funds and of Australians who want to do the right thing by providing for their private health insurance. On this side we believe in a carrot-and-stick approach to private health insurance. There should be a stick. If you have the means to take out private health insurance and you do not then, yes, you should be subject to an additional surcharge. But if you do the right thing there should also be a reward—an encouragement—and that is what the private health insurance rebate was.

This government always want to practice the politics of envy. They always want to attack self-reliance. They always want to attack initiative. They do not want people to provide for themselves. They would prefer everyone to be reliant on the state. They do
not want people to have private health insurance; they would prefer everyone to be in the public health system so that an already overburdened public health system is even more overburdened. That is their objective. It is an ideological objective: they just do not like private health insurance. They do not care that everyone who drops private health insurance adds to the burden on the public health system. They do not care about that. They do not think about that. They are purely ideologically driven.

We do express outrage when we see a significant piece of legislation like this, which will dramatically change the treatment of health in Australia, being given only 10 hours and 20 minutes. It might be another story altogether if they had taken that policy to the election and had actually been elected upon it. They might have an argument for saying, 'Ten hours and 20 minutes is long enough to debate something which we have a mandate for,' but they do not have a mandate for it. They have never sought a mandate for it. They do not have a mandate for it, and this piece of legislation deserves to be exposed. This piece of legislation deserves to have extensive debate. The next item on the government's legislative agenda was the minerals resource rent tax. Sixteen hours and 15 minutes was provided for that particular piece of legislation. To be honest, we are still not entirely sure what the government's real position is on this, because it has evolved several times. Kevin Rudd and Wayne Swan had one iteration of it. It did not go down too well. They had some private meetings with a few companies and we saw a different policy result. The Australian Greens have a different take on this. We do not know what is going to be the end product as a result of the deliberations of this parliament. So this legislation needs significant examination. It is legislation that has some quite significant effects on the mining industry and particularly on the resource-rich states. It deserves proper examination.

There was the Building and Construction Industry Improvement Amendment Bill—four hours and 30 minutes. There was the Higher Education Support Amendment Bill—45 minutes. There was the Road Safety Remuneration Bill—one hour and 45 minutes. There was the Crimes Legislation Amendment Bill—30 minutes. There was the Indirect Tax Laws Amendment (Assessment) Bill—30 minutes. There was the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill—30 minutes. There was the Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill—one hour and 30 minutes. There was the Broadcasting Services Amendment (Regional Commercial Radio) Bill—15 minutes. There was the Insurance Contracts Amendment Bill—15 minutes. There was the Excise Amendment (Reducing Business Compliance Burden) Bill—10 minutes. There was the Financial Framework Legislation Amendment Bill—15 minutes. There was Appropriation Bill (No. 3)—one hour and 30 minutes. So it ranges from 15 minutes of consideration for a piece of legislation.

I do not know the mind of every colleague in this place. If I were manager of government business, I could not presume to know what contributions colleagues have to make in this place on a particular piece of legislation. I could not presume to know whether they have some insight into a piece of legislation which I do not. I could not presume to know that. The only way that you can know that is to have a full-blooded debate on legislation and give this chamber the opportunity to examine legislation. So we go from 15 minutes for some pieces of legislation to 10 hours or 16 hours. You have to have that in perspective. That is 10 hours or 16 hours for, in one case, a bill which the
Australian Labor Party did not flag their intention to introduce at the last election—that is, the private health insurance rebate amendment bill. And there were other pieces of legislation—the mining resource rent tax package of bills—which have great and far-reaching economic consequences.

We have seen this before with this government. On one hand, they say, ‘We’re all for debate. We’re all for airing things. That’s why we’re extending hours,’ but on the other hand they say, ‘We’re going to introduce a guillotine.’ They give with one hand and they take with the other. We have seen that before. We are opposing the extension of hours and we are also opposing the guillotine. We are opposing the extension of hours because we are at the ninth sitting day of the year, so it should be possible for the government to manage their legislative program in the days that they set. We do not set the sitting schedule. We do not set the days that the parliament sits. That is something that the government do. So the government should be well able to manage their legislative agenda within the time frame that they themselves stipulate. That is the first point. The second point is that if they are unable to do that then the last thing that they should do is guillotine. They should be affording appropriate opportunity for debate in this place. It is confused and muddled thinking on the government’s part that you extend hours and guillotine at the same time. It is an internal contradiction that I do not think Senator Collins adequately explained in this place.

Another thing that Senator Collins said is that we make outrageous and unnecessary contributions during non-controversial legislation time. Nothing could be further from the truth. We are an incredibly responsible opposition. Where there are pieces of legislation on which we agree—where the government agrees, the Greens agree, Senator Xenophon agrees and Senator Madigan agrees—we do not seek to delay. We do not seek to thwart those. We readily flag our position and we readily flag that we support those pieces of legislation. And there are contributions from our side because we think it is important to make contributions on each piece of legislation, but they are not unnecessary contributions. I would defy any member of this chamber to identify a single piece of non-controversial legislation where there have been unnecessary contributions. Yes, the relevant shadow minister makes a contribution and, yes, where a senator has an interest in an issue and wants to make a contribution, they do so—that is their right. Who would deny, for instance, Senator Macdonald his right to contribute on any piece of legislation? It is his right.

**Senator Abetz:** Reticent as he is!

**Senator FIFIELD:** Reticent as he is! But that is his right, as it is the right of each and every one of us. You would be very hard pressed to find an opposition that has been as responsible as we are and as cooperative on those issues where we are in agreement. You would be very hard pressed to find an opposition that has been as cooperative. This place works to a large degree on cooperation, but what really strikes a dagger in the heart of cooperation in this place is a guillotine motion on the ninth sitting day of the year. If the government think that the way to have this parliament work better, to ensure appropriate accountability and to engender cooperation is to introduce a guillotine motion on the ninth day of the year, they are wrong. This is an unprecedented act by a government this early in a parliamentary year. Guillotines should be used very, very sparingly, in extraordinary circumstances, and I do not think that the situation we are in today, on the ninth sitting day of the year, meets the criteria of an extraordinary circumstance. What this guillotine represents
is disrespect for this chamber. It represents a lack of regard for the role that this chamber has to scrutinise legislation, and it also represents a lazy approach to managing the affairs of the Australian Senate. Any time a government uses a guillotine this early in the year, it is a lazy approach. It is a substitute for cooperation, it is a substitute for collegiality and it is an end to appropriate scrutiny of legislation.

We are not contributing to this debate just to chew up time. We are not contributing to this debate just to fulminate. We are contributing to this debate because we think it is an outrage that we have a guillotined bill put into this place on the ninth sitting day of the year. We are not going to let that fly by, because to do so would be to be complicit in the denial of this chamber’s rights and prerogatives to examine legislation to provide a light on flaws and to provide an opportunity for the public to scrutinise what this government wants to do. We do not want to be complicit in that, we will not be a part of it, and we will oppose this motion.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (10:01): The Greens will support the motion. I congratulate Senator Fifield on his speech. It was much like a speech that we heard from the opposition during the Howard years when the guillotine was used on more than 100 occasions in this place.

Opposition senators interjecting—

Senator BOB BROWN: The reality is that we are dealing with a $10.6 billion piece of legislation, the mining tax legislation, which was flagged at the 2010 election and which has been the subject of intense scrutiny—

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Order! Again I ask senators to remain silent while Senator Brown makes his contribution.

Senator BOB BROWN: It is the Queensland front again, because they are worried that so many votes are going to go to the Greens on Saturday week in the election in Queensland, I guess. I cannot work out what else is motivating all these interjections. The reality is that this piece of legislation has had extraordinary public scrutiny. It has been scrutinised by the private sector, the media and the public at large.

The Greens would prefer to see the Treasury-recommended superprofits tax—and I am not going to trespass into the argument about the bill, except to say it is far short of the mark. The Greens would be recouping an extra $100 billion over the coming forward estimates if we had our way.

Senator Boswell: How are you going to get money when you have closed the coal industry?

Senator BOB BROWN: There is the interjecting senator from the National Party in Queensland who does not want coal seam gas, let alone coal, to be adequately taxed so that the people of Queensland are able to have health, education and transport requirements—let alone protecting the food lands that the Greens would protect but the National Party will not.

That all said, the time for testing this in the Senate has come. The measure has been through the House of Representatives. We
will have the result of the Senate committee inquiry in the next 24 hours and the Senate ought to get on with this piece of legislation. Just yesterday the government announced that it is going to produce today the taxation measures, the cuts in corporate taxation, which come with this package.

Senator Ian Macdonald: You're looking after the big end of town again, Bob.

Senator BOB BROWN: The interjecting senator from Queensland says 'looking after the big end of town'. We are going to vote with him, on current indications from his shadow Treasurer, and he is going to support the Greens in this place to have the $2.4 billion—which Labor would, curiously enough, direct towards the big end of town he talks about—redirected into funding, for example, the Gonski report, for better funding of education. I look forward to Senator Macdonald from Queensland supporting the Greens when we move to ensure that that corporate tax break to the big corporations does not go ahead. Mr Hockey, the honourable spokesperson for the senator who is braying opposite, has made clear that they will be supporting the Greens in this matter, and we look forward to that debate in the May and June session. While we differ with the opposition on the very important point of a tax cut for small business, we will be supporting that when the time comes.

Senator Abetz: So why are you supporting the guillotine?

Senator BOB BROWN: Senator Abetz, the largely missing-in-action leader of the opposition in this place, interjects. What a pathetic opposition this is. How ineffective is this opposition with Senator Abetz sitting in that chair, unable to deal with policy issues. All he can deal with is the personal. When you are at that level you do not succeed in politics. But that is a decision for the opposition to make. The innovative action in this chamber is coming from the crossbench. That is what has happened. The constructive alternatives are coming from the Greens and the crossbench, and the opposition is missing in action.

Opposition senators interjecting—

Senator BOB BROWN: It is not only there to say no—

The ACTING DEPUTY PRESIDENT: Order! Senator Brown, I know you are responding to interjections and I have asked that interjections cease. If interjections cease, I would ask Senator Brown to come back to the question before the chair.

Senator Abetz: Hear, hear!

The ACTING DEPUTY PRESIDENT: It is important that interjections also cease. If we could now get back to the question at hand, in silence, that would serve the chamber well. Senator Brown.

Senator BOB BROWN: As usual, Mr Acting Deputy President, you are absolutely correct. The opposition are breaking the rules, but they so frequently do that.

Opposition senators interjecting—

Senator Ian Macdonald: You just look after the big end of town, Bob!

Senator BOB BROWN: Listen to them calling out about their defence of the wealthy. Senator Macdonald is doing that. We are here to look after the average Australian, including the people in the bush.

Senator Ian Macdonald: Mr Acting Deputy President, I raise a point of order. I am not going to be lied about by a senator of this calibre and I ask you to ask him to withdraw that direct and deliberate lie.

The ACTING DEPUTY PRESIDENT: I am sorry, I am not aware of what you are referring to, so I am not in a position to direct Senator Brown to do that. Senator Brown.
Senator BOB BROWN: Again, you are quite right, Mr Acting Deputy President. He used the word 'wealthy'. He can get up and explain—

Senator Ian Macdonald: You look after the wealthy!

Senator BOB BROWN: He is saying now that the Greens look after the wealthy. Well, we do. We look after the wealth of the environment in this place. We look after the wealth of opportunity there is. What, in fact, we do not—

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senator Brown, you have the call.

Senator BOB BROWN: Yes, I do, and I am enjoying this so much, but they do not like it over there. There is a need for this to get through so that we adequately deal with an issue at a parliamentary level. The Greens want to see the mining tax dealt with so that we do move on to the corporate tax measures and, indeed, the budget coming down the line. The problem here is that there is not just a 'no' to this move to limit the debate coming from the opposition; there is a 'no' to the mining tax itself. They are the most negative opposition, I think, ever in this parliament in the last 112 years. It is just a 'no-alition'. It is just no, no, no. We heard that from Mr Hockey yesterday: no, no, no. In a way, that is going to turn out to be a positive when they support the Greens on making sure that Australian education and health are better funded. However, the opposition are so ineffective here under the leadership of Senator Abetz. They are so missing in action.

Senator Abetz: So you're not getting personal now!

Senator BOB BROWN: I am not getting personal, Senator Abetz. I am just stating that you are so ineffective in this place and the opposition are therefore so ineffective in this place. We will see how effective you are very shortly when this matter comes to a determination. The Greens believe not only that the time has come for determination after nearly two years of this debate but that we need to move on to the other great issues of the nation. We need to put through a national disability insurance scheme, which the opposition cannot fund because they have got a $70 billion black hole. We need to move on to national dental health care, which the opposition cannot fund because they have got a $70 billion black hole. We need to move on to funding education as recommended by the Gonski report for the public sector as well as poorer private schools. The opposition have a $70 billion black hole and cannot do that and, in fact, want to take $2.8 billion out of education.

Senator Cormann: That is actually not true.

Senator BOB BROWN: Senator Cormann says that is not true. The $70 billion black hole—let me just explain that, Senator Cormann.

Senator Back: I'm not going to sit here and listen to this nonsense.

Senator BOB BROWN: Senator Black is leaving. He can't stand it.

Senator McKenzie: Black?

Senator Back: I can stand it all right!

Senator BOB BROWN: Off he goes. There goes another one. The opposition are so feeble that the best they can do is leave the chamber when they are losing an argument. They are so feeble. I will come back to the point that, with a $70 billion black hole and the opposition here going to be tested next week on failing to raise any money at all from mining, what we are facing is an opposition which, if they were to get in, would not only cut education, not fund a national disability insurance scheme
and not adequately fund health, but slash jobs right across this country. Thousands of jobs would go. They talk about the wealthy. If you do not tax adequately in this country—and we are in a country which is way below the OECD average in terms of taxation and, when it comes to corporate taxation, way below US corporate taxation and the taxation in Japan—

Senator Ian Macdonald: So why did you excuse the big companies from the flood tax?

Senator BOB BROWN: The poor member opposite is reminding me that he, as a Queensland senator, did not want a levy put on to help the people of Queensland after the flood disaster last year.

Senator Ian Macdonald: You didn't put the levy on the big end of town—you left them off!

The ACTING DEPUTY PRESIDENT: Order! Senator Macdonald, I ask you to come to order.

Senator BOB BROWN: He was going to defund, effectively, the assistance which Labor and the Greens delivered to people suffering from that disaster. He has got very little to talk about there. But, of course, when it comes to a comprehensive debate on the running of this country and the raising of the money that is required to do it, this opposition is missing in action. They do not want extended time here, they now announce. They will not support extended time to debate these matters, so the contradiction becomes complete.

Senator Fifield interjecting—

The ACTING DEPUTY PRESIDENT: Order, Senator Fifield!

Senator BOB BROWN: Yes, they are shouting again, Acting Deputy President, because they cannot stand it. They cannot stand being faced with their own contradiction of what they are doing here at the moment.

I have enjoyed this contribution. I look forward to the debate about the mining tax next week. In the meantime I look forward to dealing with important legislation on health, amongst other things, where the opposition, again, has nothing to contribute but negativity.

So it is going to be a very important two weeks. My suggestion to the opposition—and Senator Abetz cannot think this out, but the other members might listen to it—is to come in here with some quality debate—some positive alternatives—in the next week and the Australian people will think a little bit more of you. As it is, they do not know that there is an opposition in the Senate because there is nothing constructive that ever comes from that side of the chamber.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (10:15): What a pitiful contribution we have just witnessed from the Leader of the Australian Greens. He spoke about anything and everything but why he and the Australian Greens are going to contribute to this ruthless guillotining of 16 pieces of legislation. Senator Brown can talk and talk and talk as much as he likes, but he used all of his time without once seeking to justify why the democratic process of this chamber should be curtailed; why 16 bills should be guillotined and why some of those bills should be dealt with without a single word of debate being spoken. This is because, let us make no mistake, some of these bills will only have 10 minutes allocated to them.

By supporting this guillotine Senator Brown is adopting the same Keating-esque arrogance of the Manager of Government Business in this place by saying, 'I am Senator Brown. I am Leader of the Greens. I will speak on certain issues that every other
single private senator in this place will be
denied the opportunity to because I, Senator
Bob Brown, know best.' That is the
arrogance, and that is what is implicit in
what the Leader of the Australian Greens is
saying. This Green-Labor alliance is denying
the rightful role of this Senate.

We were accused earlier in this debate
that we were wasting the Senate's time by
wanting to refer the private health insurance
issue to a Senate committee. One of the
reasons we do is that somebody said, in a
letter to the editor of Senator Bob Brown's
own home newspaper, 'I grow tired of saying
this. Labor is committed to the 30 per cent
private health insurance rebate.'

Now, Senator Brown might not know who
wrote that, nor might those opposite so I will
give them a hint: it was the same person who
said that they would not knife off the then
existing Prime Minister. And if you do not
know at this stage, I will give you another
hint. It was the same person who promised
the Australian people that there would be no
carbon tax under a government she led. Yes,
it was none other than Ms Gillard.

So, given that this was Labor policy,
something that she grew tired of saying to
the Australian people, then I think it is
appropriate for the Senate to ask, 'Why is it
that there has been this policy change?' We
know why there has been this policy change:
it is the politics of envy, and we have now a
convergence between the Left of the
Australian Labor Party and the Australian
Greens. The sad thing is that you cannot put
a cigarette paper between the two of them.
They are in lockstep, ideologically. They are
back in that time warp of socialism and that
time warp of envy—the politics of envy.

We heard it spewing from Senator
Brown's mouth during this debate, that some
people allegedly want to look after 'the
wealthy'. Do you know what this place ought
to do? In fact, we ought to celebrate the
wealthy. They are the people who actually
pay the taxes of this nation. They are the
people, usually, who have worked
exceptionally hard and achieved. But it is
this politics of envy, this desire to cut down
the tall poppy, that if it is allowed to take
hold in this country will deprive this country
of an ongoing wealthy future.

The fundamental difference between the
Green-Labor alliance and the coalition is
this: we celebrate people's wealth. We
celebrate if somebody gets on and makes the
dollar. The Labor Party and the Greens
would cut them down. We want more people
to be wealthy in this country; we want
everybody to achieve. We want everybody to
succeed. Clearly, Labor says that equality is
achieved by bringing everybody to the
lowest common denominator.

And in the private health insurance
debate, let us make no mistake—and I
outlined this yesterday—it is not the
apprentice, as is so falsely asserted, that
subsidises the so-called millionaires' private
health insurance rebate, because that so-
called millionaire pays over $10,000 per
annum in the Medicare levy. That is just
forgotten, airbrushed out of the argument,
hoping that the Australian people will not
wake up.

Now, this ultimately will cost the public
hospital system. There is no doubt that as
private health insurance shrinks as a result of
the proposed measure we will have an extra
800,000 people in public hospital beds per
year. How is the current public hospital
system, that is already so overworked, going
to cope? How is it going to cope?

Let me turn to the inquiry that we as
senators on the coalition side wanted in
relation to the Australian Building and
Construction Commission. The Law Council
of Australia has come out in a most
unprecedented way, condemning Labor-Green amendments moved at the very last minute in the House of Representatives, saying that they undermine the rule of law. Talk about protecting the wealthy! In fact, what the Labor-Green amendments will do is say that if you can come to a deal with somebody that you have offended—somebody against whom you have broken the law—that if you can pay them off you will not be prosecuted. It would be akin to somebody running a red traffic light, causing an accident and then paying off the person into whom they ran—slinging them some extra money—and, as a result of that, denying the police the opportunity to charge that person with running a red traffic light.

Bribery, pay-offs and sweetheart deals will become the order of the day yet again on building and construction sites around Australia. The Law Council has come out condemning this move, quite rightly so, in a very principled way. The Greens and the Labor Party do not want that ventilated. They do not want that to be heard at a Senate committee. They do not want that to be heard at a Senate committee. They do not want the Law Council of Australia to be allowed to put a submission to the Senate as to why this is such a fundamental breach of all the principles of law that we have upheld in this country for such a very long time. Legislation is part and parcel of this Senate's role. It is also part and parcel of this Senate's role to air other issues, and the standing orders provide for that.

Might I interrupt my own flow in this speech to observe the Pecksniffian attitude of Senator Brown yet again. Remember how only five minutes ago he condemned Senator Chris Back for walking out of the chamber during a debate? Guess what? Senator Brown has just walked out of the chamber and now we have flushed him back into the chamber. We have flushed him back into the chamber because we have just exposed the hypocrisy of that criticism.

Why do we as a coalition air other issues? Of course we, as a responsible coalition in this place, will air in matters of public interest and matters of public importance the government's wholesale breach of trust and faith with the Australian people in introducing a carbon tax. The Labor Party and the Greens are saying that we should not be raising the dishonesty of their campaign or the dishonesty of the Prime Minister in saying there will be no carbon tax; we should not use the forums of the Senate to expose that deceit. We are told that we should not use the forums of this place to expose their weak border protection—overnight another 37 people arrived at huge cost to the Australian people—and a border protection budget that has now blown out by over $1 billion. That is one thousand million dollars that the Australian people will have to pay in circumstances where this incompetent government is borrowing $100 million every single day just to keep the country ticking over. But Labor and the Greens say the coalition should not expose this waste; the opposition should not expose the profligacy of this government. Well, I am sorry, but that is our role and, what is more, we will continue to pursue those issues.

The Greens and Labor alliance says we should not be talking about pink batts and exposing the horrid waste that was, not to mention the loss of lives. Labor and the Greens say the coalition should not mention that. Nor should we mention the solar panels debacle, the Green Loans debacle, the live exports debacle. The list goes on and on and on. Labor and the Greens would assert that that is a waste of the Senate's time. It is not.

_Senator Jacinta Collins interjecting—_
Senator ABETZ: Senator Collins unwittingly interjects that it is a waste of time.

Senator Jacinta Collins: It is tedious repetition.

Senator ABETZ: Even more she says, 'It is tedious repetition.' The Australian people heard repeated time and time again before the last election that there would be no carbon tax under a Labor government—

Senator Edwards interjecting—

Senator ABETZ: and that they would not touch the private health rebate, as Senator Edwards rightly interposes. This is a government that has lost the trust of the Australian people, a Prime Minister that has lost the trust of the Australian people. Do not take my word for it: Labor leadership aspirant Mr Rudd, the member for Griffith, is on public record as saying that the Prime Minister has lost the trust of the Australian people. I wonder why when Labor looks down the barrel of the TV camera for the evening news and says: 'There will be no carbon tax. We won't muck around with the private health insurance rebate.' The list goes on. When the public sees that government and that Prime Minister break each and every one of those solemn promises, Senator Brown—the absent Senator Brown, missing-in-action Senator Brown—and Senator Collins say the coalition should simply take it on the chin, not be critical of the government and simply pass the legislation.

There are big issues facing this country. We will air them and use every forum available to us in this place to ensure that these issues are ventilated on behalf of the Australian people. The carbon tax should be put to an election. Why were we promised no change to the definition of marriage? Because Labor and the Greens knew what would happen at the 2010 election. After the 2010 election we were told there was a new paradigm which somehow allowed breaches of promise. We as a coalition will never sign up to the suggestion that a new paradigm is one that allows deceit to rule, that allows broken promises to be undertaken as some type of virtue. We will not accept that as a coalition and we will continue to fight for honesty and integrity in Australian public life when it comes to these sorts of fundamental issues—issues that were put to the Australian people before an election and then so brazenly broken afterwards. In this new paradigm that we were promised, the Independents—so-called—from New England and Lyne, in particular, promised that the forms of the parliament would not be abused. Well, where are they today? Where were they at the end of last year when 19 bills were guillotined through—because they had to be rushed through—and then, in one of the most brazen and cynical manoeuvres ever, Labor and the Greens combined to cut the sitting period short by three days? Three scheduled days of Senate sitting were cut off the parliamentary timetable and they simply guillotined legislation through without debate. Excuse me, but I could not for the life of me hear the member for New England or the member for Lyne expressing their concern that this was a fundamental breach of the new paradigm, where every individual member of parliament would be allowed to speak.

It is now so very, very obvious that the Australian Labor Party in this place will allow the Greens to talk ad nauseam on the radioactive waste disposal site in the Northern Territory. That was spoken about ad nauseam—no need to guillotine the Greens. As I looked through this list of bills that are going to be guillotined—and I
looked and I looked—I thought, 'Where is the Stronger Futures bill on this list?' Oh, I forgot; the Greens are opposed to it, so we cannot guillotine that one. We cannot guillotine that one because the Greens want to use their time on that.

What we are seeing yet again is the double standard being applied, especially by the Australian Greens. The forms of the Senate can be used and time can be used in this place for the Greens to ventilate their concerns about legislation and Labor will be complicit in that. Senator Fifield made the point that Senator Xenophon will be denied his opportunity in this sitting fortnight to make a contribution that was rightfully his. An Independent senator, a one-man band, who should be entitled to use the forms of this Senate as well, will be denied by this ruthless exercise of numbers by the Australian Greens and the Australian Labor Party.

We as a coalition believe that issues such as private health insurance, the Australian Building and Construction Commission and the mining tax all need to be ventilated—and ventilated fully. But we also believe very strongly that we should be ventilating issues such as the Australian Research Council, for example. Remember the time when Labor used to tell us how important research was—that this was the future of Australia; that we should celebrate research? Well, we have an Australian Research Council amendment bill and Labor are so committed to this that they are going to give us 15 minutes to debate it—15 minutes. One second reading contribution is 20 minutes. So not even one senator will be able to make a speech in the second reading debate in relation to just that one bill. And of course the list goes on.

Let us be very clear on this. This is arrogance writ large by the Green-Labor alliance using their numbers in one of the most arrogant displays I have witnessed in my 18 years in this place. Senator Collins suggested to us that, when it comes to the end of a session, one should try to time manage. As Senator Fifield so eloquently put it, we are just nine days into the sitting year and we are applying the guillotine in this most ruthless and unprincipled manner.

The Australian people can see once and for all today that last year's guillotining of 19 bills and the cutting short of the parliamentary timetable by the Green-Labor alliance was not simply an aberration. That sort of behaviour has now become core business and indicative of their approach to this place and the parliamentary forum. Their arrogance shows no end. We as a coalition will seek to end it at the next election.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (10:35): Well, this is one of the first forays into government business by the new Manager of Government Business in the Senate, Senator Collins. You probably have not heard about Senator Collins out there—if you are listening to this on the radio—because Senator Collins is new at this job. We have had three leaders of government business here in the last fortnight. We used to have a bloke called Senator Ludwig, but he has now moved down there. He lost his job to a bloke called Senator Arbib and then Senator Arbib became the leader of government business and he moved up to that seat. Then Senator Arbib decided that he wanted to spend more time with the family. It was so obvious that that is what you do after you get a promotion—you resign. He resigned—surprise, surprise, surprise—and he has now gone out there and Senator Collins has now moved up and is in the position.

It is all sort of chaotic down here. It is completely chaotic. And part of this absolute chaos is now seen in the legislative program.
We thought that when Senator Bob Carr came from out there and into here that things might settle down. But then Senator Carr’s first foray into public life was something about sideshows, circuses and hypnotism. It was a most entertaining piece. He told the Australian people about the benefits of hypnotism—and we knew that now that we had a hypnotist as the foreign affairs minister things were going to be a lot better; that it was going to be vastly better. We had someone who was chaotic and ill-disciplined and now we have a person who extols the art of hypnotism—and he is now the foreign minister.

What we have here is the guillotine—an extension of time and then the guillotine. If you are listening to this: this is what happens when you have control of both houses of parliament. The Greens-Labor Party-Independent alliance—the glee club—run the other place and now the Greens-Labor Party-Independent alliance run this place as well. So you are getting crazy ideas that have been just duck-shoved through. There are only two genuine crossbenchers, Senator Xenophon and Senator Madigan. What you have to understand is the total and utter hypocrisy of people such as the Greens. They were held as being the paragons of virtue who would never, ever interfere with the public’s right to the proper display and laying out of the facts, and would never engage in a guillotine. The guillotine brings forward the cessation of the debate and precludes people’s right to speak. Now the Greens do that. They have just become a party like any other party, but they are a party that is in coalition with the Labor Party. That is exactly how it works. When you think that you will cast your vote with the Greens because the Greens will be the independent arbiters, they are not. You have to understand their actions. They are just an arm of the Greens-Labor Party-Independent alliance which is the government.

When you get these sorts of chaotic decisions, that is how you get things like the NBN. That is how those things go through. Senator Conroy ran in here a second ago and has run back out again. He ran and caught up to Kevin Rudd, who at that point in time was the Prime Minister of Australia, which was before they got rid of him. Apparently on a plane ride to somewhere they decided to create a new telephone company. It did not cost much—only $50-plus billion, but what is that amount between mates? That was part of this chaotic process. Now we have the mining resource rent tax which they are going to jam through. It is important that we talk about it and discuss it, because this is part of Australia’s major export earner. If we get this wrong, if we create a major problem here, we lose the capacity to pay for everything we do in our nation. That is a slight problem. They also tell you that it is the right thing to do.

We already have a mining resource rent tax that is called the state royalty system. You either believe in state royalties or you do not. At any point in time state governments can increase royalties. However, they want to create another quasi-royalty system to sit on top of the royalty system that is already in place because they believe that Mr Swan is far more righteous than any state Treasurer. Mr Swan would have a far better idea of what to do with the money than any state Treasurer. We see that, when Mr Swan gets the money, Senator Bob Brown gets the money. Last time he got a $10 billion green fund. What is that going to do? I do not know. Apparently it is true that they are thinking about setting up a new newspaper. That is what they should be doing. They should be in the media sector. Because we have the hate media, we must have the love media. We have to have real
balance. The love media is going to be set up by Dr Bob Brown, and they might venture into television stations as well. Why not? When you have $10 billion burning a hole in your pocket, of course you should engage in buying up or going into competition against the private sector in whichever way you can with a new manic, socialist, green agenda. So this is what is before us.

We also have the private health insurance rebate scheme. The reason this is so important is that we have run out of money and Australia is $232 billion in gross debt. We only have a limit of a quarter of a trillion. That is our third limit. We had a $75 billion limit, then we had a $200 billion limit, and then they snuck in, just as they are doing now, an extension on the overdraft to get us to a quarter of a trillion. If you read the papers, apparently they told Mr Oakeshott that it is only just going to go above $200 billion. Today it is $232 billion in gross debt and the cheques start bouncing at $250 billion, so they are $18 billion away from bouncing the cheque. So you know how close that is, in the last four weeks they have borrowed $10 billion. We are not that far away—about eight weeks away under the current form—from bouncing the cheque. This is what is happening in our nation as we speak. This is why we are so manically out of control. What are they doing? Whilst this is happening they are jamming these things through so that we can not go through them with a fine toothcomb and find out what the nation is up to and where it is going.

I looked at some that they are guillotining and one is an approps bill. I wonder how long they will give us for that approps bill. The appropriations, of course, are the expenditure of funds. The only way we can pay back this debt that the Labor Party have left you with is to get it off you—you good people in the public gallery and listening. They are going to have to take it out of your taxes. This is where it all goes; this is where it all happens. We need to do our job so that we can hold them to account, but we cannot hold them to account when the Greens sidle up to the Labor Party and the Independents in the other place and basically shut down the democratic function because they control both houses of parliament. Also, the Greens become completely hypocritical. They divorce themselves from every previous principle they formerly had.

What we have here is a position where both houses of parliament are controlled by the Greens-Labor Party-Independent alliance. We have the completely manic position where we have the third leader of government business in the Senate in a fortnight. We have $232 billion in gross debt and, with the way we are going, we have about another eight weeks before we start bouncing the cheques. These are obviously the reasons we need to go through and understand piece-by-piece the legislation that is before us.

There is so much in the motion. Why is it? Surely people who vote for the Greens would want our nation to have a proper investigation into the processes that we are about to create laws on. It is absolutely absurd. The motion says that the Indirect Tax Laws Amendment (Assessment) Bill 2012 is commencing no later than 9.30 am on 21 March. Guess when we have to finish it by? We are finishing it at 10 am, 30 minutes later. That is what the Australian Greens have done for the democratic process in our nation. They have given you 30 minutes to look at that bill.

We could look at another one. The Crimes Legislation Amendment (Powers and Offences) Bill 2012 is about your liberty and the rights you have walking along the street. You would think that is a pretty important
thing. I think we should really investigate that. When you are making a statement about my liberties, about my capacities, I should expect that the Greens and the Labor Party would extol the virtues of a vibrant and transparent debate, but the Crimes Legislation Amendment (Powers and Offences) Bill will commence immediately after the preceding item, which finishes at 10 pm—that is, at night—and will finish at 10.30 pm, at night, an hour and a half before midnight. This is only 30 minutes to talk about the Crimes Legislation Amendment (Powers and Offences) Bill. That is now the Australian Greens making a clear statement about how they feel about the protection of your liberties. They do not care. It is all hypocrisy—total and utter hypocrisy.

Senator Dr Bob Brown, even when dealing with interjections from Senator Back—he called him 'Senator Black'—was starting to show a loss of attachment to exactly what is going on in this place. I can understand when people are getting tired. I really do think it is time for renewal in the Greens. It is time for new leadership. There are a lot of people who have done the hard yards and it is time for them to step up to the mark. If the party has a future, it must accept the reality that it is time to move on. They cannot keep going with Dr Bob Brown. It is out and about and everybody is talking about it.

We are concerned because Senator Dr Bob Brown is now so close to being part of the government—basically he is the vital lieutenant of the Greens-Labor Party-Independents alliance—that the Greens are defrauding the people who voted for them. The mechanism the Greens had was a dissenting vote. They wanted to be the proper arbiter and control of policy, but they have now divorced themselves from that and become hand-in-glove members of the Greens-Labor Party-Independents alliance, whose leader is Ms Julia Gillard, and basically the deputy leader of the country is Dr Bob Brown.

It is a sad day and it should be noted that this shows the chaotic nature of this government. It shows the hypocrisy that now bedevils the policy platform, the presentation and the philosophy of the Greens. For policy this just becomes another total confusion as Australia goes trundling down this path towards the inevitable bouncing of cheques, unless there is some major turnaround in how the Greens-Labor Party-Independents alliance runs this nation.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (10:47): I move:

That the question be now put.

The PRESIDENT: The question is that the question be now put.

The Senate divided. [10:52]

(TThe President—Senator Hogg)

Ayes ....................38
Noes .....................33
Majority .................5

AYES


AYES

Wright, PL
Xenophon, N

NOES

Abetz, E
Back, CJ
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Brandis, GH
Bushby, DC
Cash, MC
Colbeck, R
Cormann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W
Humphries, G
Johnston, D
Joyce, B
Kroger, H
Macdonald, ID
Madigan, JJ
Mason, B
McKenzie, B
Nash, F
Parry, S
Payne, MA
Ronaldson, M
Ryan, SM
Scullion, NG
Sinodinos, A
Williams, JR (teller)

PAIRS

McLucas, J
Adams, J
Wong, P
Fisher, M

Question agreed to.

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

The Senate divided. [10:55]

The President—Senator Hogg)

Ayes....................37
Noes....................34
Majority...............3

AYES

Bilyk, CL
Brown, CL
Cameron, DN
Carr, RJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
McEwen, A (teller)

AYES

Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL

NOES

Abetz, E
Back, CJ
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Brandis, GH
Bushby, DC
Cash, MC
Colbeck, R
Cormann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W
Humphries, G
Johnston, D
Joyce, B
Kroger, H
Macdonald, ID
Madigan, JJ
Mason, B
McKenzie, B
Nash, F
Parry, S
Payne, MA
Ronaldson, M
Ryan, SM
Scullion, NG
Sinodinos, A
Williams, JR (teller)

PAIRS

McLucas, J
Adams, J
Wong, P
Fisher, M

Question agreed to.

Senator JACINTA COLLINS
(Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (10:58): Unfortunately, we failed to deal with matters at the end of that last debate. I table statements of reasons relating to Appropriation Bill (No. 3) 2011-2012 and a related bill, the Financial Framework Legislation Amendment Bill (No. 1) 2012, justifying the need for the bills to be considered during these sittings. I seek leave to have the statements incorporated in Hansard.

Leave granted.
The statements read as follows—

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

APPROPRIATION BILL (NO. 3) 2011-2012

APPROPRIATION BILL (NO. 4) 2011-2012

Purpose of the Bills

The bills request legislative authority for additional expenditure to be incurred in respect of 2011-2012.

Reasons for Urgency

Appropriations proposed in the bills provide funding for expenditure that is required to implement decisions and funding adjustments that involve further expenditure in 2011-2012, which have been agreed since the 2011-2012 Budget.

Passage of the bills before the last day of the 2012 Autumn sittings will ensure continuity of the Government's programs and the Commonwealth's ability to meet its obligations as they fall due. Should passage not be granted in the Autumn sittings, activities to be funded by the bills may be deferred or significantly delayed.

FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL (NO. 1) 2012

Purpose of the Bill

- amend the Auditor-General Act 1997 to clarify that the Auditor-General may accept an appointment as the auditor of any company that the Commonwealth controls within the meaning of the Commonwealth Authorities and Companies Act 1997 (CAC Act);

- amend the CAC Act to ensure that directors of Commonwealth authorities and wholly-owned companies (other than Government Business Enterprises) prepare budget estimates as directed by me, and that from 1 July 2012, directors of Commonwealth authorities (including interjurisdictional authorities) and wholly-owned companies notify the responsible Minister of decisions to do certain significant things;

- amend the Financial Management and Accountability Act 1997 (FMA Act) to clarify the commencement date for Special Account determinations; amend the operation of drawing rights; ensure that certain determinations relating to Special Accounts may take effect in a day specified in the determination if it is later than the last day upon which a resolution disallowing it could have passed; ensure that you cannot delegate the power to issue instructions under section 16 or make determinations under section 20; and

- update, clarify and align related financial management, governance and reporting provisions; and

- repeal 2 redundant Acts that contain special appropriations.

Reasons for Urgency

It is critical that the bill is passed in the Autumn 2012 sittings as a number of provisions have implications for the Commonwealth budget. Primarily, it is important that Schedule 2, Part 1 commences as soon as possible to ensure that estimates continue to be collected from Commonwealth authorities and wholly-owned companies (other than Government Business Enterprises) for the preparation of the 2012-2013 budget, which may be considered by the Parliament early in the Winter 2012 sittings. The other amendments to the CAC Act are timely, to ensure that Commonwealth authorities and wholly-owned companies continue to advise the responsible Minister of significant business events, which may have implications for the budget. The proposed amendments to the FMA Act clarify the Finance Minister's delegation powers, which may be needed to obtain financial information and data for the preparation of the 2012-2013 budget.

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 ABETZ (Tasmania—Leader of the Opposition in the Senate) (10:58):
The Orwellian named Fairer Private Health Insurance Incentives Bill 2012 is the exact opposite of fair. It is grossly unfair besides being destructive of our health system. It will see Australian families that are already struggling with cost-of-living issues—from mortgage payments to rates to power bills—having to face a substantial increase in their taxation and health insurance premiums, and that includes pensioners. The politics of envy this bill represents is what you would expect from the Greens and, of course, that is why we are dealing with it. It is Greens policy, and the hapless ALP are dancing to their tune. This bill, like the carbon tax, represents another broken promise initiated by the Australian Greens.

As I said earlier in another debate, I wonder who wrote to the Hobart Mercury and said:
I grow tired of saying this: Labor is committed to the 30 per cent private health insurance rebate.

Just in case people do not know who it was, it was the same person who promised that there would be no carbon tax in this country, none other than Ms Gillard. As former Labor Prime Minister Mr Rudd has said, the people of Australia no longer trust her. They do not trust her for very good reason. And nor should they trust her or the Australian Labor Party and the Greens, because they have betrayed them and betrayed them grossly.

Let us have a look at some of the implications of this legislation. But before we do so, let us also have a look at Labor's new bright light in this place, the one they got out of mothballs because they could not find somebody worthy of being the Minister for Foreign Affairs. They had to get him out of mothballs because he did such a great job in the state of New South Wales as the Premier. Talking about New South Wales, Mr Carr, then Premier and now Senator Bob Carr, closed 4,820 hospital beds in New South Wales between 1995 and June 2004, representing a 20 per cent cut in the number of available public hospital beds. But true to form, what did Mr Carr say? He promised that he and his health minister would resign if they had not halved hospital waiting lists within 12 months. In his 10 years as Premier, public hospital waiting lists increased by 45 per cent, while the average wait for surgery nearly doubled.

That is what makes him such an appropriate person for the Labor ministry. You say one thing and do the exact opposite. That is what you need to prove to get a position in the Australian Labor Party ministry today. As state Labor governments shrink the public hospital system, as Mr Bob Carr's did, in attacking health insurance you are also attacking the public hospital system—make no mistake. As people leave private health insurance there is a commensurate increase in the demands on the public health system. As a result, those that actually need the public health hospital system will have to wait even longer. That is the perverse outcome of this so-called fairer measure. The poor in our community will now have to wait longer because of this so-called fairer measure.

Let us have a look at what this policy will do. There are millions of low-income Australians who have private health insurance. There are 11.7 million privately insured Australians. There are 5.6 million who have an annual household income of less than $50,000 and, of those, 3.4 million
have an annual household income of less than $35,000. Each one of those people, each one of those families will face huge premium increases thanks to the Greens-ALP alliance. That is being foisted upon them under the name of fairness. It is not fair, it is not reasonable and it will further undermine our public hospital system. It is estimated that 1.6 million customers will withdraw from their private hospital cover completely and 4.3 million Australians will downgrade to lower levels of cover, with 2.8 million consumers withdrawing from their general treatment cover completely. What we see is a huge decrease in private health insurance and self-reliance for health needs.

What will that do? The public hospital system around Australia would have to cope with more than 845,000 additional treatments over the next five years as people withdraw from private cover. I know in my home state of Tasmania the Royal Hobart Hospital, the Launceston General Hospital and the Burnie hospital are already struggling to keep up with demand. Their services are already overstretched. As I talk to my colleagues from all around Australia the story is the same in every single public hospital. And Labor, because of their manic ideology of envy, have decided to cut support for private health insurance and throw another 845,000 cases into the public hospital system. What a great manoeuvre. This is where extreme ideology overtakes common sense and rationality. That is why this is another Greens-Labor alliance initiative.

Labor argue that they are somehow going to generate a saving of $2.4 billion over three years from this measure. Chances are that is right, but why would you believe any of their forecasts or any of their modelling? But let us take that at face value, because there is no doubt that set on the other side of the ledger is the huge increase in the public hospital system that over the years will basically equalise it out. As a result, in the out years there will be no practical savings from this measure, but there will be an increase in demand for our public hospital system and a reduction in self-reliance. This is simply another broken promise to the low-income earners, the ones Labor once championed. Remember the working families of Australia? They have now been turned into the worrying families of Australia because of Labor's policies.

(Quorum formed)

Senator DI NATALE (Victoria) (11:10):
The basic objective of health policy is reasonably straightforward. A health system should be designed to keep people healthy. Then, when they get sick, it should give everyone access to health care at the lowest possible cost. Australia's health system goes some way to achieving this, but there is plenty of room for improvement. We continue to ignore straightforward public health measures such as effective food labelling and alcohol pricing. We do not spend enough of our healthcare budget on health promotion. There are serious problems with decent access to health care for rural and Indigenous Australians. There are still alarmingly high rates of infection and iatrogenic disease in our hospitals, and our primary care system is fragmented and poorly integrated. There is much more work to be done.

However, one of the greatest failings of our health system is the glaring inequity that results from the enormous subsidies directed at the private health insurance industry. These are subsidies that, on average, benefit the well-off and those living in urban centres at the expense of low-income Australians and people living in regional communities. These subsidies mean that, for the first time since the introduction of Medicare, we have
a government funded, two-tiered, American-style health system that results in one level of care for those with private health cover and another for the many millions of Australians who cannot afford it.

This is not just a problem of fairness. These subsidies come at an enormous price to the nation because they raise the overall cost of health care. In short, the combination of private health insurance incentives fail the tests of both equity and economic efficiency. The Greens will support the Fairer Private Health Insurance Incentives Bill 2012 and the two related bills because they go some way to addressing this glaring problem in our health system, but in our view these changes do not go far enough. Despite what happens today in this chamber, Australia will continue to have an approach to health financing that is unfair and expensive.

Let me put these changes in their proper context. The purpose of Medibank—and later that of Medicare—when it was introduced in 1975 was that a single, national, tax funded health insurance scheme would reduce the need for private health insurance. It is no secret that former Prime Minister Howard was no fan of universal health insurance. After a few false starts he was finally able to put in place changes that would undermine the universality enshrined in Medicare. He did this by introducing a system of reforms to the private health insurance industry that, he claimed, would encourage many Australians to take out private health insurance and thereby relieve the pressure on the public hospital system. This was done as an article of faith rather than with any clear evaluation of its merits. The most basic of questions was never asked: what would these changes mean for both the cost and equity of health care in this country? It was not asked because this was a case of ideology before evidence from a Prime Minister who would combine his disdain for Medicare with his proclivity for middle-class welfare in order to implement changes that would take many years to unwind. I am pleased that today we are making a start.

Even if we were to accept the flawed premise that increasing the number of people in private health insurance is a desirable outcome—and that is something that the evidence now clearly rejects—the private health insurance rebate still made no sense. The evidence is pretty clear that Lifetime Health Cover, not the private health insurance rebate, was the responsible driver for the increase in private health insurance uptake. Private health insurance membership rose from about 30 per cent to about 45 per cent when lifetime rating was introduced. In essence, the rebate was just a little thank you present to those people who had already taken out private health insurance. I find it fascinating that the opposition—the party of free enterprise; the party of the market; the party of small government—is so keen to protect this enormous government subsidy. Surely they know that when the government provides such a massive subsidy to an industry it benefits that industry much more than it benefits the individual. Private health funds are doing very well thanks to the government's largess but consumers have not benefited from this windfall.

The private health insurance rebate has no support from health economists nor, indeed, from members of the public health community. It is a subsidy to an industry that provides such a massive subsidy to an industry it benefits that industry much more than it benefits the individual. Private health funds are doing very well thanks to the government's largess but consumers have not benefited from this windfall.

The private health insurance rebate has no support from health economists nor, indeed, from members of the public health community. It is a subsidy to an industry that comes at the expense of public health care rather than complementing it.

The arguments for why private health insurance subsidies increase the overall cost of health care are reasonably straightforward, and I commend the excellent report done for the Centre for Policy Development by John Menadue and Ian McAuley on this issue.
Modelling shows that by removing the $4½ billion subsidy in private health insurance we would only need to increase expenditure on our public hospital network by about $1.38 billion, leaving over $3 billion that could be spent as a direct additional investment in our public hospital system.

It is fairly clear why health care delivered by subsidising private insurance is more expensive and inefficient than utilising a single national insurer like Medicare. Firstly, private health insurance results in an additional administrative burden of around 10 per cent when compared to a single insurer such as Medicare. These costs are largely unavoidable because they include costs associated with competition, such as advertising. There is also the public-good problem, which means that there is little incentive for individual companies to invest in activities such as health promotion and research. But the greatest cost, by far, associated with the subsidies given to the private health insurance, results from the inability of individual insurers to control healthcare provider costs. What this means in practice is that in some cases consultant fees within the private system are five times higher than those in the public system.

I recently had quite an animated discussion with some of my colleagues about this bill. They were a group of friends who happened to be medical specialists that I trained with several decades ago. Some of them work long hours in the private system, and I think it would be an understatement to say that they were not particularly happy with my position on this bill. It proved to me the truism in politics: whether it be an issue like the mining tax, poker machine reform or private health insurance, the most vocal opposition to reform always comes from those who have the most to lose.

Rather than taking pressure off the public system the huge subsidies directed towards private health insurance have in many respects made things worse. Private hospitals compete with the public system for nurses, doctors and other resources crucial to providing the best care to the general public. It is self-evident that workforce follows funding. Furthermore, Australia’s public hospitals are experts at providing quality emergency care and treating complicating, chronic disease. Many private hospitals simply cannot match this service. This is why the myth of relieving pressure will never be a reality. A dollar spent on the rebate simply does not make the wait in an emergency room any shorter.

The private health insurance rebate is one of the most inequitable expenditures of public money ever conceived. It is no surprise that former Minister Jenny Macklin described it as ‘the worst case of public policy ever seen in this parliament’. Every year, $4½ billion is spent subsidising the health care of those most able to pay at the expense of those least able to pay.

This inequality is particularly bad for people living in regional and rural areas, both because there are fewer private services in regional areas and because people from those communities, on average, have lower incomes. On this issue of the inequity within the system, I need to address something that Senator Abetz said previously. He seems to think that the only funding mechanism for the health sector is the Medicare levy. What Senator Abetz clearly does not understand is that the Medicare levy only contributes a very small proportion to healthcare costs. In fact, the greatest funder of health services is money coming from income tax. And it is true to say that people on low incomes who pay income tax—even if those people are not paying the Medicare levy—are very clearly subsidising those on higher incomes.
A glaring example of this inequality is dental care. Millions of Australians cannot afford to see a dentist. Many Australians languish on waiting lists that stretch into years. Most simply put off going to the dentist until problems land them in an emergency room. It is a national crisis. Denticare, the Greens plan for universal dental care, is designed to fix this problem. But it will require a major investment of public funds. At the moment we have $400 million of public funds every year directed toward the dental care of those with private health insurance. Surely our first priority should be to spend that $400 million of public money on dental services for those who cannot afford to see a dentist. Instead, we are left with the absurd situation where low-income earners with no teeth are paying for cosmetic dentistry for the wealthy. That is the reality of a two-tiered health system.

This bill is a small step to righting this inequity. It introduces a means test, so that high-income earners will no longer benefit from government largesse at the expense of those who cannot afford or do not want private insurance. Individuals who earn over $80,000 per annum will have their rebate reduced to 20 per cent. Those who earn over $93,000 will have it reduced to 10 per cent, and those earning over $124,000 will no longer receive a rebate. The same thresholds apply, doubled, for couples. These measures are forecast to save the budget $2.4 billion in the next three years. It is imperative that these funds are reinvested in the health system. I call on the government to commit these savings to the health sector. In particular, I would like to see these funds address the gaping need for better dental care. If these funds were reserved as the first step towards universal dental coverage, it would be a great step forward for the health of all Australians. However, there is one component of this package that is difficult for me to support: the increase in the Medicare levy surcharge. The Medicare levy surcharge is an additional tax that is paid by those over the threshold who do not have private health insurance. If the rebate is the carrot, this is the stick. It is designed solely to create new customers for the health funds. This measure in the bills increases the penalty that those without insurance must pay to 1.25 per cent and 1.5 per cent in the two income tiers. I support it reluctantly for two reasons. Firstly, the Greens managed to secure $165 million for public dental care, which will go some way to addressing the huge unmet need in this area. Much more is needed, but it is a good start. I am proud that in our short time in this chamber we have managed to introduce such an important amount of funding for dental health. Secondly, we support this element of the package because, on balance, means-testing the rebate is a significant positive measure and we did not want to risk its defeat.

One would have thought that one of the first jobs of a new Labor government would have been to scrap all the incentives that have led to this expensive, two-tiered health system. Unfortunately, this Labor government has shown itself to be little different from its predecessor. The National Health and Hospitals Reform Commission, introduced with much fanfare by Prime Minister Rudd, ignored this issue completely despite the fact that health financing is one of the most critical elements of any health system. It is just another sign that the ideological differences between the two sides are becoming narrower and narrower. Yes, it is true that these changes make the system a little fairer, but the basic premise remains. The government continues to accept the flawed notion that the aim of health policy should be to increase the uptake of private
health insurance. The only difference is that this government's focus is on the stick rather than on the carrot.

Recently I was shocked to hear the newly elected president of the Labor Party go so far as to describe Medicare as a safety net. Let's be very clear about this: Medicare is not a safety net. It is a universal system of health insurance that is paid for by everyone. The more you earn the more you pay. Nobody should be penalised or made to feel guilty for using our public hospitals. One of the great battlegrounds that once existed between the two old parties—that is, the notion of universal health care—has all but disappeared. It seems that the Greens are now the only party prepared to fight for it. The great tragedy is that both the old parties are prepared to spend billions in public money to drive people away from the health care they have paid for through their taxes. We do not penalise high-income earners who choose to send their child to a public school, because we accept that it is their right as taxpayers to do so and, indeed, they should feel welcome to do so. Health care is no different.

Health policy should be based on evidence, not on ideology. This is not a Left-Right question, and anyone who views this issue through that prism misunderstands it. People who choose to take out private health insurance should have the freedom to do so—we accept that—but the evidence is very clear. If we want to provide health care to the entire population in the most economically efficient and equitable way then a single national insurance scheme is the way to do it. That is not to say that the government should ignore the role of private healthcare providers. Private hospitals have an important role to play in Australia. Calling for an end to the inequitable rebate is not a call for the abolition of private hospitals—far from it. There are better and far more efficient ways of utilising the capacity of private providers than subsidising the health insurance sector. For example, direct contracting with private hospitals to perform services that would otherwise be done in public hospitals is one option worth exploring. There are tentative moves afoot in this direction in some places, such as in Queensland, where the Surgery Connect model shows some promise.

The truth is that Medicare occupies a very special place in the hearts of most Australians. They regard it as much more than a technical mechanism for funding health care. It is a reflection of our egalitarian traditions—the idea that we are all entitled to a decent level of health care regardless of who we are or where we come from. Fortunately, this is one area of public policy where the idea of a fair go coincides with our aim of economic efficiency. For several decades we have had a health system that has been the envy of the world. The time has come to start reinvesting in our public health system if we are to keep it that way.

Senator CAMERON (New South Wales) (11:28): We have had two contributions to this debate so far: one from Senator Abetz and one from Senator Di Natale. Senator Abetz's contribution was typical Senator Abetz. It was about ideology. It really was not about economics and it was not about the health system; it was simply about the ideology of the coalition and the coalition looking after those who can really afford to look after themselves—looking after those who can afford to pay private health insurance and not caring about the bulk of the Australian population who see the public health system as absolutely essential to their wellbeing in the future. Senator Di Natale has been here only a short period—I accept that—but it would be nice now and again for the Greens to recognise that the Labor Party actually introduced the universal health
system in this country. It was the Labor Party who stood against the private health system dominating health in this country. It was the Labor Party who actually brought about the change that was required to build a decent society and a decent health system in this country. It would just be nice now and again to get some recognition—instead of the platitudes and the 'old party' and 'new party' rubbish that you hear from the Greens—that the Labor Party is a party that has set about to make the big changes in this country: the changes that make a difference on industrial relations, on health, on education and on the economy. It would just be nice now and again to get some recognition of that.

Let me get back to Senator Abetz. With great respect to your speech, Senator Di Natale, I found his speech more interesting. His speech is more interesting because it is pure ideological nonsense. It is the message out to the public that the Labor Party and Greens, who are trying to get some changes to the system and make it more fair and more equitable, are involved in class warfare. What did Senator Abetz say? He said, 'Let us make no mistake: this bill is not fair, conceived as it is in the time warp of class warfare and gestated in the womb of destructive envy.' Nice turn of phrase, but meaningless—a bit of nonsense. But that is where the coalition come from on this. They see this as class warfare. If it is class warfare to say that a boilermaker or a fitter or a rigger should not be subsidising Gina Rinehart, should not be subsidising me in terms of paying my health insurance—if that is class warfare—I am guilty; I am in it, because I do not think it is fair or equitable that ordinary Australians should be paying more to subsidise those who can afford to pay for their own health insurance in this country. So I plead guilty to that. I will always plead guilty to looking after ordinary people in this country, and that is the way we should be doing it.

What this is about, and what was not mentioned by Senator Abetz, is that this is an economic argument as well as a social argument. Health is a hugely important social issue, because if we are going to build a decent society then we have got to have a decent health system. If someone is sick, they have got to have access to a decent health system. That is what Labor has always been about. The reason we are dealing with this bill at the moment is the economic profligacy of the coalition and the lack of economic reality from the coalition. You hear much from the coalition about what great economic managers they are and were under the Howard government. The longer I sit in this place and listen to the arguments put forward by the coalition, the more I realise that it is simply myth. The coalition were not good economic managers and the coalition will never be good economic managers. In fact, I have said on a number of occasions that probably the worst Treasurer we have had in recent times has been Peter Costello. Why? Because Peter Costello did not have the backbone or the courage to stand up to the giveaway mentality of John Howard, his leader. He did not do it. And John Howard was always on the lookout for some way to give money out to those he thought could do some good for the coalition. That was the giveaway mentality of the Howard government. Peter Costello never had the courage or the conviction to actually stand up against John Howard. On that basis, he was an absolute, abject failure. The bills we are debating are trying to deal with that giveaway mentality of the coalition: 'If somebody wants to raise their hand for more money, give it to them, because we might get a vote.' That was the approach of the coalition. They were
economic incompetents and they are economic incompetents now.

A book was launched last week called *The Australian Moment* by George Megalogenis. He is, I think, one of the most widely respected economic commentators and writers in this country. On page 302 of *The Australian Moment* it says this:

Every voter that cried "cost of living" was given a wad of cash to quieten them down.

He is talking about the Howard government here. They were given a wad of cash. John Howard said, 'We've got a problem over here. Throw some money at it. Don't worry about setting up a sovereign wealth fund for the future of the country. Do not worry about making sure the public health system is okay. Don't worry about the public education system. We have got some of your mates up on the North Shore who are not too happy. Throw some money at them.' This is what George Megalogenis says. He goes on:

But the next voter wanted the same. The competition for handouts infected the government itself. Howard and Costello argued, repeatedly, over the quantity and the content of the largesse. So this was not economic responsibility. This was largesse; this was bribes; this was pork-barrelling. This was the Howard government in full flight—economic incompetence, throwing money wherever there was a problem, without any worry about the consequences for the country. Megalogenis goes on to say:

But it was Howard's government—

that is John Howard's government—

not the Howard-Costello government: the prime minister always prevailed because the treasurer didn't want to take the fight to the public, even though, as Paul Keating demonstrated throughout the '80s, the deputy with the calculator can often pull rank on the leader with the chequebook.

What does that say about Peter Costello? I will tell you what it says to me: that he had no backbone, he had no courage, and he had no commitment to this country. All he wanted to do was think how he could quietly assume the prime ministership of this country without having the backbone to take John Howard on. That was the position and it has been exposed. And the exposition of this weakness of the Howard government's Treasurer is demonstrated in where we are now in a whole range of areas. Megalogenis goes on to say:

While Howard searched for the next payment to make to his target audience—

'Who is the next target we can make a payment to?'

Costello tried to reinforce a sense of purity by cutting income taxes as well.

You hear the coalition all the time saying, 'We've got to cut income tax. We've got to cut taxes. We're the party of low taxes.' Well, let us see what this eminent economic analyst says about that:

The upshot was taxes were no longer being collected to provide public services, or to build buffers in good times to deploy in bad times, but to churn back to the electorate. The budget became a frequent-voter program, with rewards based on loyalty, not need.

If ever there was a very concise analysis of the lack of economic credibility of the Howard government, there it is, on page 302 of *The Australian Moment*, by George Megalogenis, and that just nails this argument about proper economic process under the Howard government. He goes on to say, on page 303:

The reform decades of the 1980s and 1990s had promised a more productive nation that could compete with the rest of the world. But the GST blotted the script—

so the great economic change from the Howard government, the GST, blotted the script—

by facilitating the rise of middle-class welfare in the twenty-first century.
This is not just middle-class welfare that we are trying to deal with in this bill; this is upper-class welfare. This is welfare to the super-rich, and we are determined to deal with it. Megalogenis goes on to say:

Subsidies that the Hawke and Keating governments had taught us to live without were being revived by Howard in an act of electoral appeasement.

Electoral appeasement: that is what the Howard government were about. He goes on to say:

But it was bad policy, because it reverted to the mentality of the 1970s, when every family was told it deserved to gorge on the magic pudding of government protection.

John Howard was the chief architect of that magic pudding. He made the recipe, he baked the cake and the 'magic pudding' was that everybody had to get middle-class and upper-class welfare. That just demonstrates how inept and incompetent the Howard government were in terms of economic approaches for this country. They were prepared to put their electoral success before the economic success of this country.

My view is that all the arguments you hear from Senator Abetz, the arguments about class warfare, are all about trying to paper over what is becoming more and more clear—that the coalition government under John Howard were economically incompetent and were not—

Senator Nash: Oh, please!

Senator CAMERON: They've sent in the cavalry! Imagine sending in the National Party to defend economic competence! Imagine sending Senator Nash from the National Party to try and lecture me about economic competence when the coalition's economic competence, driven by people like John Howard and the then leader of the National Party, was just to send money anywhere there was a problem: just send it out into the community and try and bribe your way back into office. Pork-barrel your way to government— that is the National Party approach. Senator Nash comes in here and starts trying to have a go at me about economic issues when she should actually have listened. I am sure somebody was listening and they said, 'You'd better get someone down there, because Senator Cameron is carving our economic credibility up.' It is not a big job, because there is not a lot of economic credibility there to carve up.

    Senator Fierravanti-Wells interjecting—

Senator CAMERON: Now they're all going! It would be microsurgery carving their economic credibility up—not a lot of it there!

    Senator Abetz argues that it is about class envy and socialist dogma. The 'dogma of equal low-class service for all and the politics of envy'—that is how he describes trying to make sure that boilermakers, bus drivers and cleaners do not subsidise me and that they do not subsidise Twiggy Forrest or Gina Rinehart. If it is Gina Rinehart or Twiggy Forrest or Clive Palmer against the general public, the coalition are on the side of the mining magnates every day. They want the ordinary workers—the boilermakers, the fitters, the bus drivers, the cleaners, the restaurant workers—to subsidise the health payments for these multibillionaires. I say that is not class warfare—it is class warfare from them on ordinary workers—I say it is the right thing to do. It is the economically responsible thing for this government to do, and I am pleased that we have actually tackled this issue and are going to deal with it.

    The coalition argues that it is going to be the end of the public system. The argument was that this was some sort of Greens proposal. I draw your attention to the fact
that this is a bill that goes back to 2008. This was a bill where in 2008 the Labor Party tried to get some fairness and rational approaches into private health insurance. Professor Deeble, who is recognised as the leading expert on the public health system said that there would not be a significant cost to the public health system by doing this. He also said that it would not send the private health system broke.

And why would it send the private health system broke? This is a private health system that gets more subsidy than the whole manufacturing industry in this country, that employs a million people. The private health industry gets a bigger subsidy than the whole of the manufacturing industry. Where is the economic rationale for that? Where is the economic logic in that? There is none! And it is simply about the coalition supporting that big end of town—the private health industry—that supports them with donations for the next election. So if it is about a donation to the coalition or the good of the country, the coalition go for the donation every time. They will stand up for the mining magnates and they will stand up for the private health industry, a private health industry whose profits before tax increased to $1.27 billion for the year ended 31 December 2011.

We get all these lectures about the market operating: I do not hear Senator Abetz giving us a lecture about how an industry that is making billions of dollars of profit should not have any public subsidies. I did not hear that argument come through. Where was that argument? They are absolutely hypocritical in their approach. These people, if there is a quid in it for their election campaign their principles and policies go out the door. They will simply be sycophants for whatever industry is prepared to put money in, even if it is the tobacco industry.

I will not take any lectures from the coalition about good economics and I will not take any lectures from the coalition about a decent health system. Look at their record when they were in power: their record on health was abysmal. The first thing they did was scrap the Commonwealth Dental Program. The ratio of federal funding for public hospitals dropped to just over 40 per cent by 2007. In 2003 alone the Howard government ripped a billion dollars out of public hospitals, so do not come here lecturing us about economics or lecturing us about health. Your record is abysmal and you just do not have a clue about what is in the national interest. You would put your electoral interests before the national interest every time. You should be condemned for that. You should be supporting this bill because it is the right thing to do and it is the right thing for all Australians.

Senator FIERAVANTI-WELLS (New South Wales) (11:48): It is always a pleasure to follow my New South Wales colleague, Senator Doug Cameron, because, Douggie, you are always so predictable. If you want to talk about—

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Senator Fieravanti-Wells, please refer to the senator through the chair.

Senator FIERAVANTI-WELLS: Senator Doug Cameron has a go at Senator Abetz for so-called ideological rubbish but I have to tell him that it takes one to know one.

Senator Cameron interjecting—

Senator FIERAVANTI-WELLS: What I meant by that, Senator Cameron, I will come to in a moment. First of all I want to talk about the ideological rubbish that you have just described which actually came out of Julia Gillard, then shadow Minister for Health. But I will come to that.
Senator Cameron, you are not staying here to listen or also to rebut, first off, the absolute lie that Senator Cameron just told about the Howard government ripping out a billion dollars. They keep coming into this chamber—

Senator Cameron: Mr Acting Deputy President, I rise on a point of order.

The ACTING DEPUTY PRESIDENT: Order! Senator Fierravanti-Wells, there is a point of order.

Senator Fierravanti-Wells: I withdraw that, and replace it by saying that what Senator Cameron said was wrong, misleading—

The ACTING DEPUTY PRESIDENT: Order! Please resume your seat, Senator Fierravanti-Wells. Another senator is on her feet.

Senator Cameron: Mr Acting Deputy President, I ask that the Senator withdraw that reference to Senator Doug Cameron.

Senator Fierravanti-Wells: Senator Brown, if you were listening, I just did. I withdrew it twice, but obviously your mind is on other things.

First of all, can I just correct the wrong and misleading statements just made by Senator Cameron? According to the Australian Institute of Health and Welfare, Australian government expenditure on public hospitals increased every year from approximately $5.2 billion in 1995-96 to over $12 billion in 2007-2008. And from 1995-96, annual spending on health and aged care by the Australian government more than doubled from $19.5 billion in 1995 to $51.8 billion in 2007-08. Therefore, it is wrong and it is utterly and totally misleading for Senator Cameron and other senators on the other side to come into this place and continually peddle this lie about this so-called ripping $1 billion out. Clearly, they do not know that the facts are in the detail provided by the Australian Institute of Health and Welfare.

I now come to the 'ideological rubbish' that Senator Cameron was accusing Senator Abetz of. What Senator Abetz was doing was quoting from a letter to the editor of the Hobart Mercury on 2 September 2004 from Julia Gillard. Not content with that, Ms Gillard again wrote a letter to the editor of the Courier Mail on 23 September 2004:

Your correspondent Russell McGregor (Letters, Sept 15) 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.

Signed Julia Gillard. What a joke! So, Senator Cameron, is that ideological rubbish? There is another letter to the Weekend Australian on 15 October 2005 from Ms Gillard:

On Thursday, 13 October, the Minister for Health, Tony Abbott, asserted in parliament that prior to the last election, I had a secret plan to scrap the private health insurance rebate and he cited Mark Latham's diaries as proof of this proposition. Yesterday Matt Price reported this claim by the minister as if it were a fact (The Sketch 14/10). The claim by the minister is completely untrue and should not have been reported as if it were true. The truth is that I never had a secret plan to scrap the private health insurance rebate and, contrary to Mr Latham's diaries, do not support such a claim … 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.

Is that not an absolutely useless piece of drivel, because we know that everything this woman says is a complete and utter misleading fabrication? Here is another
example. The woman is a serial liar, and of course we have seen this time and again.

Government senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Ludlam): I request that you withdraw that statement and refer to the Prime Minister of Australia by her appropriate title.

Senator FIERRAVANTI-WELLS: I will refer to the Prime Minister by her appropriate title and I withdraw my remark. She goes on:

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.

What an absolute joke that is. This is the same Prime Minister Gillard that told the Australian public, 'There will be no carbon tax under the government I lead.'

Then the cudgels were taken up by the then Minister for Health and Ageing, Nicola Roxon, who gave a speech to the annual conference of Australian Health Insurance Association in 2007, prior to the election. She rabbited on:

This is why we have committed to the current system of private health insurance incentives—including the package of rebates, the Lifetime Health Cover and the surcharge. Labor understands that people with private health insurance—now around 9 million Australians—have factored the rebate into their budgets and we won't take this support away.

There you go—Minister Roxon. Then she reiterates this on 23 September 2007 with Steve Lewis. She is asked a direct question about the rebate and she responds:

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 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 the community to be able to get the services.

She is asked again:

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?

Nicola Roxon responds:

No, we won't.

If that is not a lie, what is? It reminds me of the biblical reference that before the cock crows there will be three denials. Then we have Minister Roxon again on 26 September:

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 …

The Liberals continue to try to scare people into thinking that Labor will take away the rebates. This is absolutely untrue.

Yet again, another lie. That is exactly what they have done. They are now taking it away. For a third time they are trying to take it away. Then you have Kevin Rudd buying in a letter, which really was not worth the paper it was written on, to the AHIA on 20 November 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 …

Again, in a press conference on 25 February 2008, Kevin Rudd said:

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

Senator Williams: You can't trust them.

Senator FIERRAVANTI-WELLS: Absolutely, Senator Williams, you cannot trust them—do anything, say anything.

Nicola Roxon, Macquarie Radio, May 2008:
We continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who chose to take out private health insurance.

In a speech to the Australian Health Insurance Association Conference in October 2008, Nicola Roxon said:

Private health insurance consumers will still be able to claim the 30 and 40 per cent rebate and the Lifetime Health cover incentives will remain in place.

Again, in the *Age* on 24 February 2009, she said:

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

But, as we know with Minister Roxon, it is say one thing and do another.

During Senate estimates it was revealed that, whilst Minister Roxon was busily giving these public assurances, behind closed doors she and other senior members of the Labor government were seeking advice on how to progress changes to the private health insurance rebates. Whilst they were publicly firmly committed to retaining the existing rebates, secretly they were working on plans to reduce and to scrap them. We know that Minister Roxon first obtained advice from her department on 12 January 2009. Advice on how to change the rebate had been sought by the health minister's office as early as December 2008. Treasury provided advice on means testing the rebate on 20 February 2009. At the request of the Treasurer, the Department of Finance and Deregulation provided advice on the same measure on 22 February and the Prime Minister's department did so on 23 February.

So there they were publicly, hand on heart, saying one thing but then busily behind the scenes doing something different. But what does one expect from this government? They have taken from their mentor, Graham Richardson—whatever it takes; whatever it takes. And on this occasion in relation to private health insurance, yes, it was good to go out and say one thing and convince people and then, when you get into government, do the complete opposite.

Let us look at what happened at the last federal election. I want to examine some of my duty seat areas. Let us look at Mr Melham's seat of Banks. Mr Melham has almost 63,000 voters in his electorate with private health insurance. The margin of people that would have made the difference in that seat—it is a 1.5 per cent margin—was 1,438 people. Did he go out and tell those people that this government was on the one hand promising that it was not going to touch private health insurance but that, on the other hand, 'We are secretly going to change this; we are going to break this promise'? No, he did not. If he had, one wonders what may have happened in that seat. No, he does not have a mandate, because the promise that was made before the last federal election was that the rebates would be left in place.

In Mr Murphy's seat of Reid there was the same situation. There are almost 64,000 people, voters, in his electorate who have private health insurance. Did he tell the 2,593 people that represent the margin with which he won the seat that he was going to do something different, that he was going to affect their cost of living, that he was going to vote to do the direct opposite of what he and Ms Gillard and others had been promising? No, he did not. He did not go out and tell his constituents the truth. And with Mr McClelland in Barton it was the same thing. In Werriwa, with Mr Ferguson, it was the same thing.

Let me go to my own area in the Illawarra. In the Illawarra, there is Mr Stephen Jones, who seems to be more worried about same-sex marriage than the thousands of jobs that have been lost in the Illawarra as a
consequence of the government's carbon tax. But of course that just goes to show where his priorities are. Before the last federal election, I did not hear him telling his almost 47,000 constituents in his seat of Throsby who have private health insurance that he was going to vote against it. Ms Sharon Bird has almost 60,000 people in her electorate of Cunningham who have private health insurance. But, of course, she did not tell them the truth. You can go through any other federal seat and you will find it is the same story all around.

What we see with these bills is another betrayal of the Australian people by the Australian Labor Party. You on that side do not have a mandate to pass this legislation. For many years all of you on that side—whether it be Julia Gillard, Minister Roxon or Kevin Rudd—have been spouting on about private health insurance and how you are going to protect it. Over many, many years, hand on heart, you have been telling everybody that you were not going to change it. This is only a very, very small example of some of the things that you have repeatedly told the Australian public. And what is the common feature of what you have told the Australian public? It has all been a pack of blatant lies. You have repeatedly ruled out any changes—

Senator McLucas: Mr Acting Deputy President, I rise on a number of points of order. I think we have indicated to the speaker a number of times that her references are inappropriate, they are outside of the standing orders and they are unparliamentary. I respectfully request that the senator be very careful in using language that would indicate an improper motivation of someone either in this place or the other place. And I respectfully and finally request that the senator take notice of the standing order.

The ACTING DEPUTY PRESIDENT: With respect to addressing people in this place and the other place by their correct title, Senator McLucas, you are right and I draw your attention to that, Senator Fierravanti-Wells. With respect to improper motives, unless they are actually attributed to an individual, it is not disorderly. But I will ask Senator Fierravanti-Wells to consider her language.

Senator FIERRAVANTI-WELLS: Thank you, Mr Acting Deputy President. If anybody in the other place or in this place takes issue with any of my comments then I am sure, Senator McLucas, that after your lecture they will have appropriate recourse through the standing orders. As I was saying, Prime Minister Gillard and other members of the Australian Labor Party have over many years repeatedly ruled out any changes to the private health insurance rebates. We are seeing now the breaking of that article of faith and the breaking of promises that they made to the Australian public on many, many, many occasions. Why should we be surprised at this from a government led by a Prime Minister that blatantly told the Australian public, 'There will be no carbon tax under a government I lead'? Now we have a carbon tax.

There is an old Mafia saying that the fish smells from the head. I have to tell you that I think this government smells and reeks from the head. You have a Prime Minister that is prepared to say one thing to the Australian public and then do the complete opposite. Doing so taints every member and every person who contested the election for the
Australian Labor Party, and the last election is tainted with the same stain, the same lie that is attributed to the government. What they said they now have to live with. I look forward to the next federal election, when those opposite and their Greens alliance partners will have to give account to the Australian public for every policy, for every misrepresentation and for every misleading statement. Yes, for every lie that they have told to the Australian public they will have to pay at the next federal election.

In the various debates that we have had in relation to private health insurance—even yesterday when we were seeking to refer this matter to the economics committee for proper examination—where is the Treasury modelling that goes with this legislation? This government has made a series of assertions in relation to the effect of private health insurance. It claims that only 27,000 people will drop cover as a result of this measure. But we know from the Deloitte’s analysis that in the first year 175,000 people will be expected to withdraw from private hospital cover and a further 583,000 people will downgrade their cover. Over five years 1.6 million people will drop their cover and 4.3 million people will downgrade their coverage. All of this will have an effect on the public hospital system. That is the reality. This government has not fixed the public hospital system and this legislation will only compound the problem.

The ACTING DEPUTY PRESIDENT: Senator Bilyk.

Senator BILYK (Tasmania) (12:11): Thank you, Mr Acting Deputy President. I am sorry; I did not quite hear your call initially, because there has been so much screeching and yelling from the other side. I think the previous speaker may well have lost some self-control, and I do not think it augurs well for how people see the Senate working to have to listen to that. If I may, I will ask you, Mr Acting Deputy President, to speak up if you need to speak to me during my speech today.

Today we are debating a package of three bills, and I will get to the detail of them later. I will preface my remarks by speaking a bit about the purpose of the private health insurance rebate, because it is relevant to explaining why this government has chosen to means-test the rebate. The private health insurance rebate was introduced by the previous coalition government along with the Medicare levy surcharge as part of a suite of measures intended as a carrot and stick approach to get people to take up private health insurance. By subsidising the cost of private health insurance the option was made more attractive for potential private health insurance customers, and the Medicare levy surcharge provided a strong disincentive to remain uninsured and to rely entirely on the public system. In fact, many people are better off financially by taking out private health insurance rather than paying the surcharge. A strong private health insurance industry is important because it helps to take significant pressure off our public health system. However, the private health insurance rebate is an expensive policy and one that is rapidly growing in cost. So it is time to re-evaluate the private health insurance rebate and consider whether its current design is providing the best value for money.

The bills currently before the Senate include the Fairer Private Health Insurance Incentives Bill 2012, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2012 and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2012. The bills will introduce three tiers of income thresholds for singles and families at which the private health insurance rebate will
decrease from its present level. For the 2012-13 year those with incomes under $84,000 per year for singles and $168,000 per year for families will not be affected by the changes and will continue to receive the full rebate, including the 35 per cent rebate for people aged 65 to 69 and the 40 per cent rebate for those over 70. A single person earning over $84,000 per year will move to the next income tier; the next tier is if they earn over $97,000 per year, and the next one is at over $130,000 per year. A person with private health insurance will receive a reduced rebate depending on their age and income. For example, if a single person under the age of 65 earns over $84,000 per year, their rebate is reduced to 20 per cent, 10 per cent or zero, depending on which income range they are in. Regardless of their age group, people in the top income tier will receive no rebate at all. The income threshold for families is worked out by doubling the threshold for singles. The threshold is also increased by $1,500 for each dependent child after the first. The Medicare levy surcharge for those who do not take out private health insurance will increase for some taxpayers, from one per cent to 1.25 or 1.5 per cent, depending on which income range they are in.

To illustrate how these reforms make the private health insurance rebate fairer, roughly 14 per cent of single taxpayers earn over $84,000 per year, yet they receive about 28 per cent of the rebate paid to individuals. In other words, one-seventh of singles receive almost one-third of the benefit. Under these reforms they will receive about 12 per cent of the total rebate paid to singles. For couples, 12 per cent have incomes above $168,000, yet they receive about 21 per cent of the rebate paid to couples. Under these reforms they will receive approximately nine per cent of the rebate paid to couples.

The thresholds at which the rebate will cut out completely in 2012-13 are $130,001 a year for singles and $260,001 a year for couples. This measure is expected to deliver savings of around $2.9 billion over the forward estimates and $100 billion over the next 40 years. This measure is important if we are going to have ongoing sustainable funding of our health system into the future.

The Intergenerational report 2010, published in February 2010, states:
The private health insurance rebate is the fastest growing component of Australian government health expenditure.

Expenditure on the rebate is expected to increase by over 50 per cent per person in real terms over the next 10 years. So if we are going to tackle the challenges of health cost inflation then it is important that we fund our healthcare system on a sustainable basis.

Unfortunately, there has been a lot of hysteria surrounding what will happen to participation in private health insurance once these measures are enacted. In fact, I have just sat here and listened to 20 minutes of that hysteria. Might I say, it all sounds very familiar. The attitude of the private health insurance industry when it comes to these changes is like the boy who cried wolf. Remember in 2008, when we changed the income thresholds for the Medicare levy surcharge? The private health insurance industry, backed up by the federal opposition, said that one million people would drop out of private health insurance. Of course, those opposite hate being reminded of this claim because, in fact, the reverse happened—the industry gained 800,000 new customers who took out private health insurance policies. Treasury modelling estimates that, as a result of the proposal currently before the Senate, around 27,000 people will drop their health insurance policies. This means that 99.7 per
cent of private health insurance customers are expected to remain in private health insurance. This is against a backdrop of strong growth in private health insurance, with 45,000 people taking up a policy last quarter. These reforms will only result in reduced rebates for about 1.7 million adults—around 670,000 singles and 520,000 families—whereas the vast bulk of private health insurance customers, about 7.75 million Australians, will not be affected. Only 130,000 adults will be expected to pay an increased Medicare levy surcharge.

The Leader of the Opposition, Mr Abbott, has said that he will scrap this measure if the coalition win government. He describes this policy as an 'article of faith' for the coalition. However, he has refused to commit to a timeline. But that does not surprise any of us on this side. Of course Mr Abbott will not commit to a timeline, because doing so would add to the coalition's ever growing budget black hole. Already having a $70 billion black hole, Mr Abbott is reluctant to add another $2.9 billion to the ledger. So, instead of making an explicit promise about when he will overturn this measure, he tries to have his cake and to eat it too. This is such an 'article of faith' for the coalition that they propose to do it not as soon as they get into government, not in their first budget, not even three years down the track—but at some vague, indeterminate time in the future.

Mr Abbott's failure to commit to a time frame highlights a worrying trend in the fiscal approach of those opposite—and that is simply the fact that they do not have one. They have a leader, a shadow Treasurer and a shadow finance minister who cannot seem to agree on anything. They refuse to commit to a surplus in their first term of government, not even three years down the track—but at some vague, indeterminate time in the future.

According to Australian Bureau of Statistics data for 2009-10, households in the top 20 per cent income range spend almost four times as much on private health insurance as the bottom 20 per cent. I am not going to get into this phoney argument about whether a family on $260,000 a year income is rich. That whole argument, and the labelling of the government's proposal as 'class warfare', as we know, are nothing but red herrings. This is an article of faith for us: someone on the salary of the Prime Minister or the Leader of the Opposition does not need any more incentive to take up private health insurance than the Medicare levy.
surcharge. They certainly do not need the private health insurance subsidised by ordinary working Australians. This is what the debate simply boils down to. I think $130,000 for an individual or $260,000 for a family may not mean being rich, but ordinary Australians would agree that it is enough income to be able to comfortably afford private health insurance. If the opposition want to maintain the cry of class warfare, they are the ones engaging in class warfare when they suggest that CEOs and corporate lawyers should have their private health insurance subsidised by teachers, nurses and hairdressers. Not only are they engaging in class warfare but they have chosen to side against middle Australia. If the opposition want to be honest about the ideological drive behind their policy of opposing means testing of private health insurance rebates, they should stop engaging in disingenuous drivel about class warfare.

The opposition should look ordinary working Australians in the eye—people on $40,000, $50,000 or $60,000 a year—and say to them, 'We think your taxes should be subsidising the health insurance of people on double, triple or even a hundred times your income.' I do not think any on that side have ever done that. That is what we are really talking about—that is who the coalition represent. It is who they represented with their opposition to means testing the baby bonus and their opposition to our changes to the Medicare levy surcharge thresholds and the luxury car tax. It is who they represented with the introduction of Work Choices and their opposition to the minerals resource rent tax and consequently their opposition to a tax break for small business and better superannuation for ordinary working Australians.

The same goes for the position of those opposite on a carbon price. They would rather subsidise polluters than make them pay for the pollution. Millions of low- to middle-income households would be better off under the household assistance component of our clean energy future plan, but Mr Abbott and his colleagues would rather see pension increases and tax cuts reversed, ripping money out of the pockets of ordinary hardworking Australians. It just goes to show that the debate on these bills is a microcosm of a broader issue. This issue is one of the great ideological divides that separates Labor and the coalition and it is the divide of basic fairness.

I remember back in 2008, during the debate about our changes to the Medicare levy surcharge, that I referred to the coalition as the sheriffs of Nottingham. I think that label still suits them today. The same toxic ideology continues to evade the coalition, that the well-off should be looked after at the expense of the needy. Our fundamental belief is that government, in providing assistance to families and households, should give priority to those who need it the most. Contrast this with the Liberal-National coalition who seem to take the view that the job of the government is to give priority to looking after the top income earners in the country.

What this debate boils down to simply is that $130,000 for an individual or $260,000 for a family may not be rich but that ordinary Australians agree it is enough income to comfortably afford private health insurance. If the opposition want to maintain the cry of class warfare, let us be clear that it is not coming from this side but coming from those opposite. When they suggest that corporate lawyers and CEOs should have their private health insurance subsidised by hardworking teachers, nurses, hairdressers and garbagemen, then we know where the class warfare really is.
If the opposition want to be honest about the ideological drive behind their policy of opposing means testing, then they should stop engaging in this tirade of screeching and carrying on that all of us in here and those listening just had to listen to. Mr Acting Deputy President, I think they think that if they screech the loudest that somehow makes them more morally correct and right, but let me assure you that is not the case. Those on the other side should take a good hard look at themselves. They should take some chill pills and settle down a bit because all we hear from that side is yelling and screaming and the tirade that I used to witness from two- and three-year-olds when I was a childcare worker. I did spend a number of years in the childcare industry and most of the children I cared for then were much better behaved than those on the other side. In fact, if they were children I was caring for, I would certainly give them the 'ignore them' treatment, because that is all they deserve. I think that the people out there listening to any of this debate would certainly think the same.

Those opposite should go out to ordinary working Australians and look them in the eye—the people on $40,000, $50,000 or $60,000 a year—and say to them, 'We think your taxes should be subsidising the health insurance of people on double, triple or even a hundred times your income,' because that is what they are purporting. That is what we are really talking about. The coalition do not represent ordinary working people. They opposed the means testing of the baby bonus, they opposed the changes to the Medicare levy surcharge threshold and they opposed the luxury car tax. It is who they represented with the introduction of Work Choices and their opposition to the minerals resource rent tax. They want to deny ordinary working Australians better superannuation because, as far as they are concerned, as long as their rich mates are looked after, life is fine and rosy.

On this side we believe in a fair go for all and we believe in making sure that that fair go can be accessed by all. The debate on these bills is a tiny sample of the broader issue and the way those on the other side think. Our fundamental belief is that government should provide assistance to families and households and that priority should be given to those who need it. Contrast this, as I have said, with the Liberal-National coalition who take the view that the job of the government is to give priority to those on the top incomes in this country. I think that is atrocious. They really need to think about what they are doing. It is just more of their negativity that has been constant over the past few months and years. On that final note, I commend the bill to the Senate.

Senator BERNARDI (South Australia) (12:29): It is interesting to follow that rambling and rather disjointed contribution from Senator Bilyk in which she addressed the issues of subsidies on incomes.

Government senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Marshall): Order!

Senator BERNARDI: I heard the bleating and am glad you called them to order, Mr Acting Deputy President, because obviously they do not like a few truths. I would like to point out, in response to what Senator Bilyk said about the income of the wealthy being supplemented by the hardworking hairdresser or plumber, that she made no mention of how union bosses have been supplementing their incomes. There are allegations of credit cards being given to union bosses and kickbacks for contracts, how they have been indulging in personal pastimes at the union members' expense to the tune of hundreds of thousands of dollars.
These are allegations that you conveniently ignore, Senator Bilyk. But if you want to know anyone who is taking advantage of the humble working man and woman, it is the union movement. You have been exposed for all of that and yet you still live in blissful ignorance of some of the corrupt and shonky practices that have been taking place in the movement that you are very proud to have been a member of.

It is a further indictment of Senator Bilyk and members of the side opposite, members of the government, that the focus of their support of this bill is somehow attacking Mr Abbott. The problem with Mr Abbott is that he is effective. He is effective in highlighting the spendthrift ways of this government, the folly of its ridiculous policies. He is highlighting how disingenuous and false are the words of the Prime Minister and members of this government. There is no further point that we need to remember than the Prime Minister's assurance, 'There will be no carbon tax under a government I lead,' I have raised that because Senator Bilyk also raised the carbon tax in her contribution.

The Prime Minister said, 'There will be no carbon tax under a government I lead,' and yet that is exactly what the government have introduced with their coalition partners, the Greens. Why do I mention a broken promise? Because this bill is another in a long list of broken promises from this government, betraying the Australian people in the process. Might I remind the Australian people that not only did Minister Roxon mislead the Australian people when she said Labor were committed to retaining all the existing private health insurance rebates, but the man that Labor loves to loathe, former Prime Minister Mr Kevin Rudd, also said federal Labor was committed to retaining the existing private health insurance rebates. I would suggest to the members opposite that if they knifed, got rid of and brutally

promise. I hark back to what Minister Roxon said when she was Minister for Health and Ageing:

Federal Labor has made it crystal clear that we are committed to retaining all the existing private health insurance rebates.

Clearly that was not true. It is demonstrably not true because this bill is before us today. That is an extraordinary thing for this government to be pursuing under the guise of fairness. What a joke even the title of this bill is: Fairer Private Health Insurance Incentives Bill. Firstly, there is nothing 'fairer' about it. This is about undermining the private health insurance system in this country, because the government do not like it and have never liked it. The Labor Party have never liked private health insurance, because it weans people off the teat of government.

The other misnomer in the title of these bills is the 'incentives'. There are no incentives in these bills. It is a complete joke to suggest there are. These bills do the exact opposite of providing an incentive to the Australian people. These changes will force people to drop private health insurance cover or to choose cheaper cover with a number of procedures excluded, because it will simply become unaffordable. It will cause upward pressure on insurance premiums as more people drop out of the system and it will increase the pressure on an already overstretched public hospital system.

I remind the Australian people that not only did Minister Roxon mislead the Australian people when she said Labor were committed to retaining all the existing private health insurance rebates, but the man that Labor loves to loathe, former Prime Minister Mr Kevin Rudd, also said federal Labor was committed to retaining the existing private health insurance rebates. I would suggest to the members opposite that if they knifed, got rid of and brutally
politically crucified Mr Rudd on the basis that he was preparing to break a promise in this respect, that would be a reasonable thing. But it seems that Mr Rudd was committed to upholding his promise. Perhaps that is one of the reasons that they so brutally dispatched him and sent him into political purgatory.

I come back to this: the Australian people are simply sick and tired of Labor making promises just before an election and then somehow obfuscating or using some sophistry or expert who has been plucked from one of their chosen political mouthpieces to justify breaking those promises when they get into government. We have talked about some of them: the carbon tax, the cash-for-clunkers scheme, the citizens assembly—and we can go on and on and on. And that is on top of the promises that they kept, which turned out to be abject failures as well, because the information they have provided to the parliament or to the Australian people to justify these promises has turned out to be false, misleading or somehow not researched. We have a $56 billion public money spend in this country on the National Broadband Network that has not even seen the light of day of a cost-benefit analysis. There is no justification from the government other than the fact that their previous broadband plan did not receive enough tenders. It did not receive enough tenders, so Mr Rudd, the then Prime Minister who was brutally knifed for the second time recently, and Minister Conroy cooked up on the back of an envelope on a plane a $56 billion public spend. That is the sort of policy approach that we have from this government.

I could also remind the good people of Australia that this was the government that spent $1 billion giving people pink batts for their homes. That resulted in a number of homes being burnt to the ground and a number of lives lost. We are still waiting for an apology from the minister responsible, or any accountability. That minister still sits quite proudly around the cabinet table. The government is too scared to get rid of him. He must know where a few of the government bodies are buried, so to speak. The government spent $2 billion taking out the pink batts, plus conducting a range of other inquiries and things, because it did not think through its plans. That is exactly the same circumstance with which we are faced here.

It might be convenient for the government to play the class warfare card by saying that people earning over a certain amount of money are being subsidised by those who earn lesser amounts of money. I guess it depends on your mindset: either you can look for nasty class warfare issues or you can look at what is really happening in our country today. A person earning $50,000, for example, effectively pays very little tax whereas, I am advised, someone who earns $150,000 pays somewhere in the region of 16 times that amount of tax. Whether that person is wealthy or not does not matter: they are making a contribution to society. We have to recognise that private health insurance also plays a meaningful part in our health system functioning effectively and efficiently. People who take responsibility for their health needs by taking out private health insurance reduce the need for the public hospital system to provide services for them, they reduce the waiting lists for some services that are noncritical but which are very important to the people who need them and they also keep the general cost of health insurance premiums down, which is very important. More importantly, they allow individual Australians to exercise choice.

The simple fact that the government may, in one way, shape or form, be making it more affordable for people to undertake
private health insurance is a net good. It is encouraging people to do the right thing by making it affordable. Of course, affordability is something that this government really does not seem to care about. It does not seem to care about how families are already struggling in many instances to balance the budget. It does not seem to care about the fact that utility costs in this country are already rising at a rapid rate and are set to rise even further as the Australian people are afflicted with the world's biggest carbon tax—a tax which we were promised would never see the light of day under a government led by Julia Gillard.

These things naturally concern us on this side of the chamber because we are committed. The central cause of the Liberal Party is to foster personal responsibility, to see stronger families and to enable people to make decisions that will empower them and get government out of their lives. Senator Bilyk, in her contribution, put paid to the lie that Labor cares about families and about people. If it really did care, it would not be putting this additional penalty on those who want to take responsibility for their own health insurance at a time when they are already struggling with rising bills for utilities, food, rent, mortgages, rates and taxes. Quite frankly, the government has a role to play in all of these things not only because of its borrowing and the inflation that goes with it but also because of its imposition of new taxes. This is a characteristic that the government has continued to pursue for the last four years.

This government has increased taxes on all sorts of spurious grounds. It has done so under the guise of health measures which were once again proved to be false. It has done so under the guise of needing to spend more money in the community. It is still rolling out stimulus spending with respect to the GFC, a crisis which apparently stopped a couple of years ago in 2008. It is still rolling out the spending, notwithstanding the inflationary pressures and the other challenges, particularly the budgetary challenges, of this government. The product of all this spending and waste and the injection of borrowed money into the economy is putting up prices, fuelling inflation and making things more expensive for Australian people. That is why a budget measure to reduce the affordability of health insurance, as proposed by this bill, is very poor. The coalition believes all Australians should have access to affordable health care and real choice in managing their healthcare needs.

As a result of the introduction under the previous coalition government of the private health insurance rebates, the Medicare levy surcharge and Lifetime Health Cover, private health insurance coverage increased significantly from 34 per cent in 1996 to over 44 per cent by 2007. You would have to be particularly bloody-minded and stubborn not to recognise that as a net benefit for this country. It makes health care more affordable and more accessible for every single Australian, not just those with private health insurance.

In that respect, 52.9 per cent of Australians have private health insurance—that is 12 million of us—and 10.3 million have hospital treatment cover. Every single dollar of funding provided for the private health insurance rebate saves $2 of costs that are then paid by private health insurers. That is from the Econtech Pty Ltd and Harper Associates and Hagan report of 2004. A 2012 Ipsos survey found that 64 per cent of the population believe that the $4.5 billion a year the government spent on the rebate was a good use of taxpayer money. These are not only the people who can afford the private health insurance as a result of the rebate but also those people who rely on the public
hospital system and who benefit from greater accessibility and shorter waiting times.

Private hospitals treat 40 per cent of all patients in Australia. Imagine if those private hospitals were no longer accessible or affordable because private health insurance had disappeared, as much of the Labor Party wants. That 40 per cent of Australians would then need to use the public hospital system, which is already under increasing stress and pressure. In 2009-10, private hospitals treated roughly 3.5 million patients, and these people may then be forced into the public hospital system. Imagine the bottlenecks then. What would we see? We would see the hospitals like the Keith and District Hospital, which the South Australian Labor government refuses to give $300,000 a year to in order to keep it open. Imagine the pressure on the public hospital system when a state government cannot even afford to keep an integral part of regional health and hospitalisation open for a measly $300,000.

We have to acknowledge that private hospitals play a very important role. They perform the majority of elective surgery in Australia—64 per cent—because they are efficient, effective and accessible. As for the direct impact of this bill, I know we will have competing numbers and figures, but let me say for the benefit of the Australian people that, if you are going to rely on some figures put forward in this debate, you have to ask yourself how you can in good conscience rely—

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT: Order! It being 12.45 pm, I call on matters of public interest.

Defence Procurement

Senator MARK BISHOP (Western Australia) (12:44): On this matter of public interest today I want to talk about the absolute necessity for more early industry consultation within the purview of the Department of Defence. In that context, the Senate Foreign Affairs Defence and Trade References Committee inquiry into defence procurement has identified, as we all now know, a number of matters absolutely critical to improved performance in the context of defence procurement.

The universal diagnosis has been that inadequate project prescription by Defence continues, after many years, to be a major problems. Coupled with over-optimism and over-promising by industry, this sort of inadequate project specification, without exception, leads to failure. However, this short-coming has its origins at the very beginning, when strategies for capability acquisition are formulated. The short-coming is seriously compounded at the first-pass stage and later, if the original strategic decision proves to be wrong.

Industry has expressed many complaints to the committee about the behaviour of Defence and relevant agencies. The important complaint in this context concerns the almost total lack of engagement and consultation at a very early stage—that is, the white-paper stage and the period thereafter, when broad strategy is converted to strategic capability options. Further, I suggest that if Defence paid greater attention to learning from industry what was truly possible, technically speaking, a lot of mistakes, schedule blowouts and cost blowouts could be avoided.

At worst, the criticism is that Defence, strategically speaking, is a closed environment or a closed shop—that is, strategic thinking is almost completely internal to Defence, its agencies and those client groups who are engaged on the inside of the defence debate in this country.
Consultation and debate with outsiders, such as numerous think tanks and industry, is negligible or non-existent. One experienced observer has described Defence's capacity in this area to be an 'intellectual desert'.

The 'not invented here' syndrome predominates—that is, 'We know best and no-one else knows as well as or as much as we do.' The sheer tragedy is in the circumstance that Australian industry is, in large part, comprised of multinational companies based in the United States of America and Europe. That is where most of the R&D is done and where world leading-edge technology is carried out, formulated and improved. These companies therefore are part of the future capability in the world, especially in the United States where policy decisions by governments for over 100 years have resulted in procurement being outsourced to industry. Industry is also an intrinsic part of the strategic military thinking, policy development and capability planning. But not in Australia—or not to the same extent and not to a sufficient degree.

Nor are the multitude of Defence officers stationed abroad capable of monitoring, studying, or advising on that integrated relationship. Technology usually belongs to large, foreign owned primes who have domestic units in this country—companies which research, develop, produce and maintain military hardware valued at hundreds of billions of dollars every year. They are leading-edge in the most technologically advanced industry in the most advanced country in the world.

Our dependency on them is increasing for a number of interconnected reasons. Firstly, military equipment is becoming increasingly sophisticated. This applies especially to aircraft, weaponry, communications and protection technologies. Secondly, alliances dictate a higher degree of interoperability.

The Australian government has made a policy call that Australia's armed services will engage to a high level of interoperability with those of the United States. Australia simply does not have the scale and depth of technological skill to conduct research and manufacture for, in world-class terms, the small market of this country.

Despite these circumstances it seems foolhardy to ignore the knowledge bank which these primes have to offer to this country. Yet according to those companies, we do just that. We do it on a regular and continuing basis, especially in the early stages of needs and gap assessment. The critical element of that is early process is now the white paper. It has become the key strategic doctrine for government. It effectively sets Defence policy in stone for five years—at least, that is the attitude of the Department of Defence.

Industry has said that consultation with them on technological capabilities has been minimal. Further, if they were consulted it would have led to better informed procurement options and strategies being placed in the white paper. Industry engagement in Australia seems to be limited to those stages after key strategic decisions are made. Proof of this can be seen in the submarine sideshow, whereby only now, after decisions have been made, are companies being engaged and options explored—options which should have been developed immediately after the white paper was agreed upon and published. Clearly, I suggest, this is part of an unhealthy and untrusting relationship, as I have mentioned previously—the Defence attitude is that industry is in general typified as rent-seeking to exploit generous budgets and, further, that industry's single ambition is to win a contract, with the detail to be sorted out later on. As we have seen, it is fair to say that Defence is often complicit—again, simply
because of the failed prescription entered into without proper consultation at the beginning of the process.

The single issue here is that the process for product specification, especially at the earliest stage, to be charitable, is vague. The fact is that the real expertise around the world on military development and manufacture is with industry, driven by the United States military in particular, which, overwhelmingly, spends three or four times more than that of the rest of the world. We seem to have realised that, acknowledging that local development is often a recipe for failure. We have moved to off-the-shelf purchasing, which, where genuine, has proven its worth in some, but not all, of the processes described. We have also moved to outsourcing, which remains valid for procurement but of course has a significant downside for both sustainment and maintenance because we lose, we do not retain, the corporate knowledge in this country. This flies in the face of the mantra for local development, which has often proven unable to match genuine off-the-shelf purchases in both cost and timeliness—certainly not without cost-plus arrangements or subsidies essential because of poor product specification. I suspect that there is still a strong school in Defence arguing for local development using Australia's unique geographical circumstances in support. Of course, that is relevant sometimes but not as much as some would have us believe.

Overall coordination and responsibility for developing the Defence Capability Plan is tightly controlled by the Capability Development Group, the CTG, following policy formulation from the strategic policy areas. Unfortunately and increasingly, the government is almost totally reliant on this single channel of advice—often expressed in committees as the 'one defence family' view of the world. ASPI and others have frequently criticised in this context that there is no viable form of contestability. Industry, which has the richest source of advice for the reach-back reasons I have mentioned, is excluded. As for the independence of both DMO and DSTO, their involvement appears to be too late for strategic consideration, although I suspect that the value of their independence has in recent years become seriously diluted—assuming that such independence ever worked properly, given the raft of failed projects and the projects likely to be about to be added to the list of projects of concern.

The more recent ANAO report shows quite clearly that some of that advice, particularly with respect to off-the-shelf purchases, was obviously misleading—it was just incorrect and should never have been given. Most were simply developmental—not in production or in service anywhere around the world. Will we ever know what the independent views of DMO and DSTO were, let alone those of industry? It seems unlikely, simply because the system is still totally opaque.

The defence of the Department of Defence to the matters and criticisms I raise is that there is a very high need for probity—that is, Defence is rightly terrified of becoming embroiled in controversies of favouritism, bias and improper relationships, which have dogged it so frequently in the past. Industry is certainly no slouch in trying to gain that commercial advantage, and too many in Defence and DMO in the past have been seriously compromised. This is equally important at the tendering stage and the pre-first-pass, where technologies are being assessed. Yet I struggle to understand the probity issue at the strategic stage, where capability options are still being explored in strategic form. To my mind, it can be nothing other than part of the anti-industry mentality I have been outlining in this speech.
or just a convenient smokescreen—in fact, much like the commercial-in-confidence argument we regularly encounter in Senate estimates. On many occasions this defence has been used to deny the parliament necessary information. And so it is with the assertion of probity, which is used without any discretion to maintain this dreadful veil of secrecy.

This is a fundamentally important issue as we begin the revision of the current white paper, which, some would suggest, is already out of date. If we ignore the intellectual capability of our industry and its overseas principals, as we have in the past, we will continue on this march of procurement folly. Government needs the best advice it can get, as of course does the taxpayer. Defence needs to open up and take advantage of all the knowledge and information available; otherwise we will continue to pursue, and receive in response, second-best options.

What is the critical message here? The critical message is this: there is no good reason for not having early and regular consultation with industry. The optimal time for such consultation is pre first-phase decision making. Why is that? It is pre-scoping, pre-guidelines drafting, pre-capability decision making. You consult with industry at the pre-first-phase period, but you consult at a different level. You consult on strategic purpose, you consult on conceptual options and you consult on capability options that might still be in the pipeline or still being thought about or that might be put into place in a different way. Probity, commerciality and confidentiality, I suggest, are major league straw-man arguments that do not hold up when put to the serious test.

At a basic level, at the pre-first-phase consideration time, we are talking strategically. We are talking conceptually only. The field of competition, the field of competitive behaviour, the field of pricing and the field of options in terms of particular strategic capability come post second-pass decision making. Probity is of course relevant then—(Time expired)

Service Clubs

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (13:00): I rise to speak on something that is very close to my heart, and that is the service clubs we have in Australia: Apex, Lions and Rotary especially. We were privileged in my home town of Inverell to host, just a few weeks ago, the New South Wales-ACT state conference of the Apex Clubs. And then, last weekend, the Inverell, Inverell East and Warialda Rotary clubs in Inverell hosted the Rotary District 9650 conference.

I was privileged to join Apex many years ago, when it was a young men's services club for men aged 18 to 40. Apex started in 1931, during the Great Depression, by three men in Geelong: Langham Proud, Ewan Laird and the late Sir John Buchan. It is a wonderful organisation that grew right around Australia, especially in rural and regional Australia, where Apex was really endorsed and the clubs were many—growing fast, with high membership. In Inverell we had two Apex clubs. The Inverell Apex Club was formed many years ago, shortly after 1931, and the Sapphire City Apex Club was formed in the 1970s. We had two Apex clubs. The Inverell Apex Club was formed many years ago, shortly after 1931, and the Sapphire City Apex Club was formed in the 1970s. We had two Apex clubs in our country town of around 10,000 people. Sadly, the Sapphire City Apex Club—which I was honoured to become a life member of when I retired from Apex at 40—no longer exists. Around the north of New South Wales, at Bingara, Ashford and many other country towns, Apex clubs that were very active clubs now no longer exist, and this is of great concern.

There seems to be a culture developing in Australia where the attitude is that, if we do
not have it, the government has got to give it to us. That is over all three tiers of government—local, state and federal. It is a culture I have seen develop over several years, or for even longer. Years ago, if we did not have it then our community pulled together to deliver what we wanted. Of course, our service clubs were a major part of that. I look back on Apex and what we did in the early days of our association for things like microsurgery and kids’ cancer research. In the early 1960s, Apex even lobbied the Australian government to abolish the White Australia policy, which I believe was brought in many decades ago by the Labor Party. Imagine if the White Australia policy was still in place in Australia today, to judge people on the colour of their skin.

I remember well watching a video of the 1960-61 tied cricket test in Brisbane, when Richie Benaud was captain for Australia and Sir Frank Worrell was captain for the West Indies. It was a great test series and after the five test series were played they had a tickertape parade through Melbourne. The great West Indian bowler Wes Hall was talking to the Prime Minister, and the Prime Minister thanked the West Indies for their wonderful display of sportsmanship and the entertainment they brought the Australian people. Wes Hall said to the Prime Minister, ‘It’s amazing you let us come here to play cricket, but because of the colour of our skin we’re not allowed to live here.’ It is a part of Australian history we cannot be proud of. Apex was one of the organisations that lobbied for the abolition of such regulations, and thank goodness they were successful.

What the service clubs are delivering for our country is simply amazing. As I said, we had the Apex state convention in Inverell a few weeks ago, and last weekend some 550 people came to Inverell for the District 9650 Rotary conference. In looking back at the achievements of the service clubs, let us look at Rotary. One of the greatest things that Rotary did for my family was when my eldest son, David, went to Thailand as a Rotary exchange student in 1998 or 1999. He had 12 months in Thailand and enjoyed it enormously. He came back speaking another language—what a great thing to be able to do. He speaks fluent Thai. A couple of years later, my daughter Rebecca went to Brazil as a Rotary exchange student. This is part of the international building that Rotary provides for our community. Of course, Rebecca came back from Brazil speaking fluent Portuguese and went on to learn Spanish. To have a daughter who speaks English, Spanish and Portuguese—it is certainly far advanced from how we learned to speak in the shearing sheds, I can assure you. This is what the service clubs offer and give—not only in Australia but right around the world.

Rotary sponsors a breast-screening program. The bus for that comes into Inverell. What a magnificent service for the early detection of cancer. Rotary distributes bowel cancer screening kits; many Australians have had their lives extended, hopefully by many years, because of those kits. The achievements of Rotary over many years are just huge, such as ridding the world of that hideous disease, polio—which I believe is nearly gone. A very close friend of mine is one of 13 children, and two of his sisters were born with polio. The legendary radio announcer John Laws is one who suffered from polio in his younger days. To have Rotary as part of the extermination of that disease is wonderful. But these are only some of the things that our service clubs have achieved.

Then there is Lions. A bloke from Lismore retired from Apex at the age of 40. I think his name was Tresise. He went to a service club conference in America and came back and started Lions in Australia. That is why the Lismore club is Lions club
No. 1 around Australia. The Lions do tremendous work for our youth and for education. There are the things you do locally in service clubs and there is fellowship and friendship. In my Apex days we would go out and cut firewood and donate a load of firewood for a pensioner. We would go and paint a house for a Legacy lady. We had several painters in our club and, of course, what usually followed when a house was painted was one or three beers at the local establishment, with fellowship and a bit of fun. We enjoyed helping the community and we derived so much out of it.

The ideals of Apex—I hope I still know them—are: to make the ideals of service the basis of all enterprise; to develop by example a more intelligent and aggressive citizenship; to provide means of forming enduring friendships, rendering altruistic service and building better communities; and to promote international understanding and friendship. The ideals of many service clubs are like those, and what they achieve in our community is simply wonderful.

I remember that many years ago the Inverell Apex Club built the tourist information centre in Inverell, in Campbell Park. It was to two-storey building built by volunteers, a magnificent achievement, which stood for many years until it was removed—to the disgust of many, I might add—when Coles extended their car park there. I also want to mention that Inverell, which is my home town, has superb sports facilities for a town of 12,000 people, but it is a service club, the Inverell Apex Club, which is directly responsible for much of the facilities. In 1968 the outgoing chairman of the Inverell Apex Club, Col Campbell, was concerned that the town did not have satisfactory sporting facilities, and Apex formed a committee to carry out a survey. The results were presented to a public meeting, and that resulted in the formation of the Inverell Sports Council in 1969, chaired by a man who was to become a life governor of Apex, Alderman John Northey. The sports council, with the Shire Council of Inverell, has been responsible for the establishment of a magnificent sports complex catering for many sports, the establishment of a hockey complex and the upgrade of the town's main sports oval, Varley Oval, which has hosted major events. In fact, the Inverell Sports Council was used as a model for others being set up throughout the state.

Our cricket fields are known as the McCosker ovals. Why are they named McCosker? After the great Australian cricketer Rick McCosker, who was born and grew up in Inverell and became known to many in 1977 when, at the Centenary Test, he had his jaw broken by a bouncer from one of our British friends and then went out to bat in the second innings with his face bandaged up. Rick McCosker is very proudly known as one of the great sporting achievers of our town of Inverell—hence the ovals being called the McCosker ovals.

Many achievements in Australia have been because of service clubs, but there are benefits you get as an individual from being involved in them. In Apex when we had an age range of 18 to 40. They were the tough times. That was the age range where people had young families, many costs and not a lot of money. But the time we put into working for communities in those service clubs was really satisfying. My concern is that Apex numbers have now dwindled. We used to have 18,000 Apex members throughout Australia. We have is nowhere near that number now. In my home town we lost the Sapphire City Apex club and we lost clubs in Ashford, Bingara and other towns. The Inverell Apex Club used to have about 75 members. You had to line up and go on a waiting list to become a member, and hence
a second club was formed. But now our local club has only 12 to 14 members.

I appeal to Australians to get involved in a service club, whether it be Apex, Lions, Rotary or Quota. Whatever club it is, get involved because you will not only do a lot of good for your community and your country but you will do a lot of good for yourself. One of the things we used to have in Apex was interclub debating competitions. They were very entertaining, I can assure you. There was always a lot of fun and a lot of laughs during those debates. I remember one day we debated whether we should have a metric calendar: 10 minutes in an hour, 10 hours in a day, 10 days in a week, 10 weeks in a month and 10 months in a year. It was quite humorous. I can remember Howard Finlen bringing the roof down—not literally, of course, but with the laughter he caused. Those were the sorts of things we got up to. And, as I mentioned, it was through the magnificent Rotary Youth Exchange that two of my three children benefited enormously from going overseas, living in another country, learning about another culture and learning another language. Rotary International has achieved so much.

You might want to join a Rotary club, a Lions club—Lions International is a magnificent organisation—or an Apex club. But I underline Apex because it is an Australian-made organisation. It was made here in Australia, as I said, back in 1931 by three men in Geelong. We need to build numbers in the Apex clubs to keep the Apex association alive so it can deliver for communities as it has done for many years. I was fortunate to be district governor on two occasions, in 1991 and 1994. In 1991 we went to Perth for our national convention and in 1994 we went to Burnie in Tasmania.

If you want to help your community, if you want to build better communities and make friends and if you want to go to bed at night saying, 'I can sleep with a peaceful mind because I have helped someone today'—and that is how it is—join a service organisation. Through these organisations the community benefits and the people benefit, and those who join clubs, do the work and get involved are also great beneficiaries. That is my message: join a service club, help yourself and help your country.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (13:13): I rise today to speak about a matter that is very important: the way Australia treats some of the most vulnerable people who arrive on our shores seeking our protection. We know that, despite Australia's current policy of mandatory detention of asylum seekers, over 90 per cent of those people who arrive on our shores seeking protection as refugees are found to be in genuine need of that protection. They are found to be genuine refugees: men, women and children from many parts of the world but in particular from across the region that we in Australia are part of. These people are subject to mandatory detention while their applications are being assessed. This mandatory detention in every way resembles a type of prison-like environment. We know that when people are detained there is no length of time on that detention and that there is also no appeal to allow those people to be released from detention before their application process is completed or, indeed, the minister decides of his own will that those people can be removed. Men, women and children are subject to mandatory detention simply for seeking asylum.

I know that many in this place—and, of course, the government—like to argue that these detention centres are not prisons and
that people are not detained in the same way as prisoners are. But I would argue that the truth is that they are. I have been to many of these detention centres across the country, here on the mainland and on Christmas Island, and the very look and feel of these facilities are as prisons. Men, women and children who are simply seeking asylum are detained as prisoners, as people who have somehow broken the law, yet all they have sought is Australia's protection under the refugee convention.

Not only do these facilities look like prisons, it is fairly clear that these places are being run like prisons. The reason I say that is that I have a copy of the staff training manual that is used by Serco, who operate these facilities. This document goes through, step-by-step, how officers engaged by Serco—the private company that Australian taxpayers are affording in the vicinity of $1 billion to run our detention centres—are to base their entire operation on how staff at a prison should be trained and how prisons should operate. The document goes through talking about how asylum seekers are 'offenders' and that they are serving sentences. You might think that is strange, Madam Acting Deputy President Boyce, but it is because the Serco training manual seems to be doing a somewhat sloppy job trying to rehash a training document for prison guards.

I would argue that with $1 billion of taxpayer money at stake you would think that the company who runs our detention centres could have come up with a better and more appropriate document that related directly to the needs of running an immigration facility that is processing people's applications. Let us not forget that it is not illegal to seek asylum in Australia, despite the fact that in this training document it suggests that these people are seen as having arrived illegally. It says that in Serco's own training document. It refers to people, as I said, as 'offenders'.

This has been reported in today's papers already. Serco has suggested that this is perhaps a technical malfunction—a typo. I would argue that maybe that is because they could not work out how to do the 'control/find/replace' function properly to replace the words in this document. The point is that step-by-step through this particular training manual the officers who deal with asylum seekers—children, men and women—are not trained to deal with the needs of asylum seekers, people who have fled their countries because of torture, persecution and war. They have not been trained to deal with issues of post-traumatic stress that come with fleeing those types of circumstances, not trained to deal with issues of torture and trauma and not trained to deal with the needs of children who have had to flee their homes in order to seek protection. No, this document talks about how to restrain people, how to do strip searches, and how to deal with confrontation with prisoners. Nothing in here deals with the real needs of dealing with asylum seekers.

I think it is appalling that the people running our immigration detention facilities are training their officers as prison guards. And even then, we know that the training itself is dubious. Of course I sit on the Joint Standing Committee on Migration that is currently looking into Australia's immigration detention network. Throughout that inquiry—and anybody who has been watching this would know from the submissions and, of course, the Hansard transcript—there have been big questions over the abilities of these officers to do their jobs. Officers in the centres themselves have put on the record that they do not have the skills to deal with the escalating and skyrocketing mental health issues in immigration detention centres. Officers
themselves have said that they are not taught
to deal with issues of attempted suicide and
self harm.

No, they are not. This training manual
proves that. This training manual proves that
they are taught that these people are just like
offenders in a prison who have been given a
sentence, and that they should be treated as
such. Eighty per cent of this document
focuses on how to restrain and use force
against asylum seekers in these facilities,
rather than deal with the needs of refugees
who have fled to Australia seeking our
protection.

I question how seriously Serco, the
company who is running our detention
centres, really takes this issue when they
could not even be bothered putting together a
training manual for their officers which goes
to the heart of the needs of asylum seekers. It
is a cobbled-together document—they have
not even replaced all the words properly and
they put it down to a 'technical fault'. Madam
Acting Deputy President, I will tell you what
the technical fault is: the technical fault is
that we never should have outsourced the
running of our detention centres to a private
company in the first place. Australian
taxpayers are footing the bill, a bill of $1
billion, to pay this company to run our
centres and yet they cannot even train their
officers properly.

Of course we know that Serco does not
like us talking about the operations in their
detention centres and, of course, the
government does not like us talking about
what goes on in there either. Also today,
there has been the revelation that the media
access guidelines and protocols to detention
centres have been formed on the media
access rules to Guantanamo Bay. I kid you
not! You would think this was a joke if it
were not actually serious. The running of our
facilities, the approach to our immigration
detention system and our approach to
Australia's obligations to individuals seeking
our protection and care, really are summed
up by the fact that the training manual for
officers working in our facilities dealing with
asylum seekers—client service officers is
what they are referred to by the Department
of Immigration and Citizenship—in
conjunction with their own media guidelines,
suggest that they really just see the centres as
prisons and asylum seekers as somehow just
another group of criminals. I would like to
go to some of the broader issues concerning
Serco. Australian taxpayers foot the bill for
this private company to run the centres. This
is a company that also runs prisons right
around the world, particularly in the United
Kingdom. Its profits have been going down a
little lately in the United Kingdom and the
latest posting of its $10 billion portfolio
includes a big shout-out to the fact that its
share profits have been boosted by its
Australian operations. We know that Serco
has been awarded an extra $300 million in its
contract and the contract value has soared
beyond $756 million as detention sites have
quadrupled to 24 and the number of
detainees, in Serco's own words, 'ballooned'.
We know that the company Serco is in the
business of making money. It cannot even
train its staff properly to deal with the needs
of vulnerable asylum seekers and it is
cashing in on people's misery. We have
heard that saying before: when the
government talked about people smugglers
trading in the misery of other people's lives. I
would suggest that the private company
Serco, which is making millions and millions
of dollars profit on the back of Australian
taxpayers, which cannot train its staff
properly, which cannot put together a
training manual properly and which cannot
even bother to do spellchecks, is trading on
other people's misery.
It is absolutely concerning that the government of the day is allowing a company like this, shambolic as it is, to run our detention centres with staff who clearly do not have the skills to deal with the needs of asylum seekers. We know that people are suffering hugely in these places, especially because of the length of time they have been there. This training manual talks about offenders having sentences and being able to work off their sentences or get extra things through good behaviour. That is the way prisons are run. The sad thing about what happens in immigration detention centres is that asylum seekers have never faced a court. They have no way of challenging their detention and, indeed, they never know when their 'sentence' will end, because it is administrative detention that these men, women and children are subjected to. They are subjected to a mandatory detention system that is funded by Australian taxpayers and which wastes in the vicinity of $3 billion. A billion of this goes to a private company which trains its staff to run a prison, not to deal with children who have fled war, torture and persecution.

I hope that the Minister for Immigration and Citizenship is listening to this. I hope he has the time to look through this induction course training manual, because it is important to understand that the people who we ask to look after the people who have come to this country seeking our protection have a duty of care. They have a duty of care to people, many of whom are very fragile and very vulnerable and have fled war, torture and persecution. Many of them are suffering greatly not only because of their long-term detention, but also because we do not give them the assistance they need on the ground. I also think that we owe a duty of care to the individual Serco officers in these facilities who, based on this document that I have in front of me, are clearly not trained to deal with the needs of asylum seekers. They are trained as prison guards, and I would point out that that training is not accredited. It is Serco's own manual and many of these people do not even have the qualifications of a nightclub bouncer—a certificate II in security. These people are working in these facilities without the appropriate training, and we wonder why we have a crisis in our immigration detention system.

A doctor in Darwin only last week recalled publicly that there are children in the Darwin Airport Lodge immigration facility who have attempted suicide—children as young as nine years old—and yet the people who look after these people are not trained to deal with this. It is a shame; it is shameful and it must be an absolute embarrassment to this government that the people we pay $1 billion to do their job cannot even write a manual properly.

**Automotive Industry**

*Senator McEWEN* (South Australia—Government Whip in the Senate) (13:28): I would like to speak about the automotive industry. In 1856, the Holden brand was initially established in South Australia as a saddlery business. Forty years later, in 1897, David Shearer finalised his design on one of the nation's first horseless carriages, initially driving his steam-driven carriage near Mannum in South Australia, and later through the city streets of Adelaide. It would have been a red-letter day for sure.

Holden, together with the rest of the automotive industry, is a huge part of South Australia's past and future. As a Senator representing the people of South Australia, I feel that South Australians should be made aware of the steps that the federal government is taking in order to make sure the automotive industry remains a part of the state's future. Across the nation, 46,000 people are directly employed in the
automotive industry, spread across more than 200 companies. In South Australia, 2½ thousand of those workers are employed at the GM Holden plant at Elizabeth in Adelaide's northern suburbs. Nationally, a further 200,000 people are employed in businesses that rely on the auto industry, from metal manufacturing to scientific services, including research. In total, manufacturing jobs nationwide account for the employment of some one million Australians. The federal Labor government is committed to Australia remaining a car-making nation. We are committed to ensuring that manufacturing and research jobs are sustained to support a strong economic future in the sector.

The Gillard government understands that at present manufacturing and the automotive industry are under high strain—consequences of the high Australian dollar, the rising cost of materials and the contraction of consumer sales in major export markets. We are aware that our international exports have dropped—by 30 per cent to the Middle East, and 75 per cent to North America. However, we also believe that it is not in the nation's best interests to give up just because times are tough. The government is committed to the future of industry, and for this reason we have implemented a number of initiatives to ensure the longevity of the car manufacturing industry in Australia.

To get the Australian car industry back on track and once again prosper, we must make it stronger. We need to be innovative, productive and competitive. We are currently one of only 13 countries in the world that are capable of building a car from scratch. We have all the skills and facilities that we need right here to model, make and market cars. Unlike those who sit opposite me, the Labor government is determined not to slash funding and give up on this industry and its workers. We will work with companies to look for alternative ways to sustain manufacturing, by diversifying into other sectors and researching for more efficient production methods.

To achieve this, federal Labor has implemented a $5.4 billion package of measures—a New Car Plan for a Greener Future. These measures will support the industry through the difficult times and help reinvent the car industry on our shores to secure its long-term future. At the heart of the plan is the $3.4 billion Automotive Transformation Scheme, ATS. Through supporting the production of motor vehicles and engines, investing heavily in research and development and plant and equipment, the ATS will encourage companies to make long-term commitments to the industry. Industry partners will also be required to demonstrate their commitment to the industry by delivering business plans for the fostering of skills, innovation and environmental outcomes to carry them into the future.

The Australian car industry has a lot going for it, and this is reflected in the statistics. Out of the top 10 of Australia's top-selling new cars, four of them are made locally. This is great news for our car industry, and reiterates the fact that we need to invest and promote Australian made cars, rather than cut industry support.

Per capita in Australia, it only costs $17.40 for our car industry. This is opposed to $90 for every person in Germany, and $264 for every American. We currently have one of the most open and competitive automotive markets in the world with more than 60 brands reaching about one million sales per year. Despite the high dollar at the moment, our international export of cars still amounts to some $3.4 billion—one of our top export earners.
In 2009, at the height of the global financial crisis, the production levels of cars significantly dropped. We saw some of the lowest production numbers since the late 1950s. Current production levels are slowly recovering from the depths of the crisis, but we are not out of the woods yet. It is crucial that we continue to support the industry. A recent poll found that 58 per cent of Australians support government assistance to the automotive industry.

Another aspect of a New Car Plan for a Greener Future is the implementation of the Green Car Innovation Fund. While it is now closed to new applications, the fund has already contributed considerably to the economy, enabling the Holden Cruze to be built in my home state of South Australia—a fine vehicle it is—as well as bringing the hybrid Toyota Camry and the EcoBoost Falcon to our shores.

The third component of the government's a New Car Plan for a Greener Future is the Automotive Industry Structural Adjustment Program, AISAP, and the Automotive Supply Chain Development Program, ASCDP. Both of these initiatives strengthen the chain of component makers supplying the major producers, whilst looking for opportunities to break into global production chains. These programs have invested heavily in companies, and we are advised by Deloitte, which has done some research into this matter, that the quantifiable savings associated with the ASCDP alone over a three-year period are $85 million.

Another $6 million out of the $5.4 billion a New Car Plan for a Greener Future has been directed into the Automotive Market Access Program, which in 2010-11 helped local firms secure big business wins of some $538 million, including: Diemould, a South Australian toolmaker, which won a contract with GM Thailand; and Futuris Automotive, which won contracts to design and supply seating to US electric car makers Tesla and Fisker.

The government is very proud of its support for the automotive industry. We note that the opposition in a contrary position has proposed to cut $500 million of industry support between now and 2015. They have given no solid commitment to provide any support beyond 2015. That is a very disturbing fact for this very important industry.

I will conclude by saying that, while the automotive industry has been through tough times, I am very pleased to be part of the Gillard government that is working hard to ensure that the automotive industry in my state and elsewhere will continue to grow and be an integral part of Australia's economy.

Indonesian Language in Australia

Senator EGGLESTON (Western Australia) (13:36): I have here a report, Indonesian language in Australian universities: strategies for a stronger future, authored by David Hill from the Murdoch University Asia Research Centre. Professor Hill makes the point that, although two-way trade between Indonesia and Australia has grown by an average of 9.7 per cent per annum since 2006 and the Australian government has shown its support for a closer relationship with Indonesia, going right back to supporting their claim for independence in 1945, Australia's inclination and preparedness to learn the Indonesian language, Bahasa Indonesia, has steadily declined.

In the decade from 2001 to 2010, enrolments in Indonesian language studies nationally dropped by over 40 per cent, at a time when the overall undergraduate population in universities expanded by nearly 40 per cent. This is while the number
of Chinese students studying in Australia remains about 10 times that of Indonesian students studying in Australia, despite Indonesia being our closest neighbour. Indonesia has a great future ahead of it in terms of economic development. It is going to be one of the tigers of South-East Asia, with enormous economic progress to be made.

It is very important and in Australia’s overall national interests that Australians learn to speak Bahasa Indonesia, because it makes such a big difference when you are trying to do business in a country if you can communicate in the country’s language. Recently, although we say we wish to develop better relationships with Indonesia, the fact remains that our relationship with Indonesia has been very much up and down. The recent ban on live cattle exports to Indonesia illustrated, many people feel, Australia’s lack of understanding of Indonesia and Indonesian culture. It has resulted, sadly, in many official circles in Australia being regarded by Indonesians as still having the mentality of white colonialists, with very little understanding of Asian culture.

That is why the Asia Research Centre at Murdoch University is pressing for the teaching of Bahasa Indonesia to be resumed in schools and taken up in universities. Murdoch has recommended that the teaching of Bahasa be designated as a strategic national priority and that the Australian Research Council and the Department of Education, Science and Training be requested to recognise this in prioritising funding for both research and teaching in Indonesia.

There were 20 recommendations in the report by Professor Hill, which would require funding of some $98 million over the next decade to achieve. These are objectives which he feels are necessary to bring Australians up to the required level of skill with Bahasa Indonesia to enable us to maximise the opportunities that Indonesia is offering this country.

One of the most important things is that there should be more student exchanges between Australia and Indonesia and also more business and government exchanges because these help to build bridges and friendships which very often promote the development of agreements of various kinds, whether they be with academics, businesspeople or individuals. It is important also for us to encourage more Indonesian students to study in Australia. Even though Indonesia is our closest neighbour, there are only some 19,000 Indonesian students in Australia. By contrast there are, I believe, 230,000 Chinese students in Australia. The numbers of students in Australian universities from Indonesia have been declining, and school enrolments in Indonesian programs across the country have been declining by at least 10,000 students per year.

One thing which is not happening is that Australians are not going to study in Indonesia. Between 2007 and 2011, only 53 Australian students per year enrolled in an Indonesian university for a study program of one semester or more. The exchange of students and encouraging Australians to go to university in Indonesia to do specific courses or postgraduate courses would greatly help build the relationship between our two countries.

I remember that in 2003, as part of an Australian parliamentary delegation, we met a group of Australian alumni in Surabaya. There were a lot of people there, from graduates in engineering who graduated in the 1950s under the Colombo Plan through to a lady who had only recently graduated
from Curtin University in Perth. They told us that, I think, four members of the Indonesian cabinet were graduates from Australian universities. That is the kind of dividend that pays off. By having Indonesian students coming to our country and by having Australian students going to Indonesia and learning more about Indonesia and Indonesian, when Australians go there, they are able to communicate with the local people.

Australia's somewhat negative perception of Indonesia is also compounded by the current level and wording of the travel advisory which states:

We advise you to reconsider your need to travel to Indonesia, including Bali, due to the very high threat of terrorist attack.

That has been in place for the past decade. The Australian government says the advice is not intended to be interpreted as a ban on educational exchanges with Indonesia, but I think it needs to be reviewed. I seek leave to table the report from Murdoch University Indonesian language in Australian universities: strategies for a stronger future.

Senator Kim Carr: What is the report?

Senator EGGLESTON: It is an academic report. It has been published, Senator. I do not think there is anything controversial about it.

Leave granted.

Australian Republican Movement

Senator THISTLETHWAITE (New South Wales) (13:45): I congratulate David Morris on becoming the new National Director of the Australian Republican Movement. He is a former diplomat, senior political adviser and senior public servant and recently became the government relations director at the University of Sydney. I am extremely confident that David is the right person to prosecute the case for Australia to make the historic move to become a republic.

It is wonderful to see that Mr Morris has hit the ground running. Already, this week, he has published a relevant piece in the Sydney Morning Herald. In it he admits that the case for Australia becoming a republic has taken a backward step in recent years but that it is a temporary silence and the issue will not go away. He says:

"It's something the community should decide."

"People might want to call it governor general, they might want to call it president, we might come up with our own indigenous title."

"But the person who has that role should be Australian."

I wholeheartedly agree with his sentiments.

The next great step in the growth and maturity of our nation is to reform our Constitution and government structures to allow our country to become a republic. As the father of two young daughters, I despair that they cannot aspire to be our nation's head of state. I am bewildered by the fact that we do not recognise or place faith in the ability of our own citizens to determine our destiny through our Constitution. Our Constitution is the written embodiment of who we are as a nation and how we determine our future, yet our current Constitution is a symbol of the lack of faith in our own citizens to hold our country's pinnacle office. We need to reform our Constitution. I believe it is time that Labor ignited a discussion and campaign in the Australian community for constitutional reform, with the ultimate goal of our nation becoming a republic.

Last year I had the opportunity to launch a campaign for the Queen's Birthday public holiday to be scrapped in New South Wales in favour of a day that celebrates who we are as a nation, as a people, and where we are
going. Let me be perfectly clear. My proposal does not involve reducing the number of public holidays in New South Wales; it simply involves replacing the Queen's Birthday public holiday with another public holiday that is more relevant to the people of New South Wales. I believed then, as I do now, that ridding ourselves of this archaic holiday could be the first step in a new discussion on constitutional change in Australia with the ultimate goal of becoming a republic.

It was once a quaint notion to celebrate the birth of the monarch, but this day has no significance and is now outdated and irrelevant to the lives of average people in New South Wales. It would be of greater meaning if we replaced the Queen's Birthday public holiday with a day that had some significance to the community. This could be a day that we take pride in, a day that celebrates who we are, what we have achieved, what we value and what we believe in. New South Wales should take this important first step in re-engaging the community about Australia becoming a republic.

Our current structure, with the Queen of England as our head of state, in many ways is the complete antithesis of our laws and society. A good example is in section 116 of our Constitution. We are a sectarian nation. Our Constitution states:

The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth.

Yet this fundamental freedom, this important human right that is enshrined in our Constitution, is observed in every respect in our nation except in respect of the selection of the most important position under our Constitution: the head of state. Only the King or Queen of England may hold this position and only an Anglican may be the King or Queen of England. This is a clear example of the fact that the monarchy no longer represents our democratic ideals. Our Constitution no longer reflects our beliefs and our values.

We have also matured as a nation and come a long way since federation. It is time our Constitution and our head of state accurately reflected the growth and maturity of our nation as well as our future. We are one country, one continent, and our head of state should be one of us. It is time we placed faith in one of our own citizens to hold the pinnacle office in our federation.

I readily admit that if the question of our nation becoming a republic were put to the Australian people this weekend it would unfortunately be defeated. It would be defeated because, in recent times, we have not presented our case for reform. We have not made the argument as to why reform is fundamental to who we are and how we determine our future. I was part of the republic referendum campaign in 1999. It was a hard-fought campaign with many passions expressed about the reform. However, one of the problems of the campaign was that it suffered from the perception it was elitist—run from the boardrooms, think tanks and academic journals of our nation. It was not effectively argued in the places that count: in the suburbs, in the local workplaces, in the community groups and in the homes. It failed to grasp the magnitude of the task of winning a majority of votes in a majority of states. It failed to comprehend what a successful campaign like the Rights at Work campaign showed us—that local campaigning matters.

It is important that we learn from these mistakes. I did not for a minute believe that
we would ever get unanimous support for reform such as this. No major change ever does. But this should not mean that we abandon discussion of an issue that is so important and so fundamental to the future direction of our nation. It is for this very reason that a key part of my campaign to replace the Queen's Birthday public holiday has involved the community having a say in what they would like to celebrate in its place. Suggestions have included a date that represents the first independent law-making body in Australia—the New South Wales parliament, sitting on 21 August to determine laws in its own fate—symbolising the day that we began to determine our own destiny, who we are and where we are headed, or simply a family day or a community day, a day for workers to take a break from their increasingly hectic working lives and spend some quality time with their families. I am not presuming to tell the community what a replacement public holiday should be for the Queen's Birthday. That is why I have launched a survey on my website matthistlethwaite.com.au to seek the community's views about a suitable replacement holiday and to give everyone the opportunity to contribute to this discussion.

When our nation began the process of moving to federation it was New South Wales that led the debate through the constitutional conventions and public debate to see our country unite as an economy, as a society and as a federation. The time is again ripe for change. Our nation's constitution and our government structures should reflect who we are, our values, our beliefs, our laws and our aspirations. The road to this goal is a long one and we have already had one failed attempt. We must not fail again. To ensure success, we must again set out on the journey and learn from the mistakes of the past. We must engage with the community and argue what it will mean to make this change and why it is required. I believe that becoming a republic is a natural symbolic step this country must and will take in due course. We are one country, one continent, and our head of state should be one of us. We are a great nation, but to become even greater we must step out from the shadows and become an independent nation ready to lead, not follow, in this new and exciting global era.

Sitting suspended from 13:54 to 14:00

MINISTERIAL ARRANGEMENTS

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:00): I table for the information of the Senate a revised ministry list reflecting the appointment of Senator the Hon. Bob Carr to the ministry on 13 March 2012. I seek leave to have the documented incorporated into Hansard.

Leave granted.

The document read as follows—

SECOND GILLARD MINISTRY

13 March 2011

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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
QUESTIONS WITHOUT NOTICE
Carbon Pricing
Senator BIRMINGHAM (South Australia) (14:00): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to page 29 of the Treasury document Strong Growth, Low Pollution: modelling a carbon price, which states World carbon prices are expected to range from A$29 to A$61 in 2015-16—in nominal terms. Will the minister confirm that, with world prices below the range assumed by Treasury in its modelling, this will result in less revenue to government than expected. Is this the case, Minister—yes or no?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:01): I thank the senator for his question. I again make the point that he may have a crystal ball as to what the world will look like in 2015, 2016, 2017 and 2018, but I doubt it. What I would say is that we will update our budget figures in the usual way in the budget, just as we did in the midyear review and just as we did in the budget handed down last year. We will do just as Peter Costello would in the same circumstances: update the budget figures. But I can tell you this: the one difference—there are a number—the one very important difference between our plan and yours is that we can pay for ours and we can fund it, but you have a plan which will double the effective carbon price. I know you do not want to hear this, Senator Birmingham, it is absolutely embarrassing.

Senator Birmingham: Mr President, a point of order going to the matter of direct relevance: the question was a very specific and carefully worded question. The question was about what the impact on government revenue would be from a lower than assumed world carbon price. It did not go to any other policies, it did not go to any of the material that the minister is canvassing. I ask you to draw the minister to the question.

The PRESIDENT: There is no point of order at this stage. I am listening closely to the minister's answer. The minister still has 59 seconds remaining in which to answer the question.

Senator WONG: I again remind the opposition that our entire carbon price package, the clean energy future package, is factored into the budget bottom line, which shows the budget returning to surplus in 2012-13. That is something you have walked away from. Senator Birmingham, I can understand your taking a point of order when we remind Australians that your policy would cost them more. Your policy would cost them more—$1,300 per family, per household, every year, being taken from working families and given to those businesses that emit carbon. Yes, of course you will take a point of order!

Senator Birmingham: Mr President, you have reminded the minister that she had 59 seconds left, at that stage, to address the question. She now has 23 seconds left to become directly relevant to the question. I do ask you, please, to ensure that she is directly relevant to the question about the impact of a lower world carbon price on government revenue.

Senator Chris Evans: Mr President, on the point of order: Senator Wong is directly trying to deal with the senator's question. The fact that she is engaged in beating him around the ears may be cause for him to complain, but it is not a point of order.
The PRESIDENT: That is not a point of order, Senator Evans. I do remind the minister of the question. The minister has 23 seconds to address the question.

Senator WONG: Thank you, Mr President. As I have said now on a number of occasions, the carbon price package, the clean energy future package, is reflected in the bottom line. We have funded it. We will update our figures for the outer year, which is the 2015-16 year, in the usual way in the coming budget. One thing I can say for absolute certainty is that ours will add up; yours will not.

Senator BIRMINGHAM (South Australia) (14:05): Mr President, I ask a supplementary question. I refer the minister to the statement in the House of Representatives by the Treasurer yesterday. Far from the Treasury modelling being a crystal ball, as Minister Wong seems to wish to put it, he said:

... there is not a hole in the modelling ... The government has full faith in the ... modelling ...

Does the minister have full faith that the core assumption of Treasury modelling, that world carbon prices are expected to range from A$29 to A$61, is correct—yes or no?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:05): I have been asked now on a number of occasions by this senator and others a number of questions in relation to the Treasury modelling, and I have consistently said that we stand by the Treasury modelling. The reason we do is that we have faith in the competence and professionalism of the Treasury, the same people who advised those opposite in government. Those people advise us and through us the Australian people that putting in place—

Senator Ian Macdonald: Then they're clearly wrong.

Senator WONG: The senator says, 'They're clearly wrong!' Isn't it wonderful! Senator Macdonald knows more than all of Treasury, apparently. Oh my goodness, why is it that you are not the shadow Treasurer if you know so much? The Treasury modelling—

The PRESIDENT: Senator Wong, ignore the interjections. Come back to the question.

Senator WONG: The Treasury modelling shows that incomes rise, jobs grow and the economy grows with a carbon price. That is something those opposite simply cannot countenance.

Senator BIRMINGHAM (South Australia) (14:07): Mr President, I ask a further supplementary question. Given the minister's failure to give straight answers to very straight questions, why should Australians believe this government over independent modelling that indicates Labor's imposition of the world's highest carbon tax would lead to a multibillion-dollar budget blow-out? Why is the government afraid of updating the Treasury modelling to reflect the real-world scenario where world carbon prices are around one-third of those assumed in the modelling on which the government so greatly depends and relies?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:07): Why is the opposition so afraid of telling the truth when it comes to their carbon policy? That is the real question. I am not sure which so-called independent modelling the senator is referring to. Is he besmirching the reputation of Treasury by saying that these modellers, the best modellers in Australia, and the largest modelling exercise ever undertaken in Australia, are somehow not independent? Is
he saying the same people who worked for Peter Costello are not professional and are not doing the right thing? We have had question after question on modelling in this place over years now. The fundamental problem is that the opposition do not accept Treasury's advice because they want to run a scare campaign on this issue. That is why they asked these questions. But they will not tell Australians that their policy will mean higher taxes for working Australians and that money being given to polluting companies in the hope that they might do something good with it. (Time expired)

Economy

Senator CAMERON (New South Wales) (14:09): My question is to the Minister representing the Treasurer, Senator Wong. Can the minister outline to the Senate the importance of spreading the benefits of the mining boom to all corners of the economy. What is the role of tax cuts for small and large businesses in delivering these benefits?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:09): I thank the senator for his question. Like many in this place—but, unfortunately, not those on the other side—he understands the importance of spreading the benefits of the boom for all Australians. The government is moving to put in place a minerals resource rent tax, the MRRT, with the intention of giving a boost to small business and a boost to the superannuation savings of working Australians. There is an absolute intention by this government to ensure that the benefits of the boom are spread widely. It was with some consternation that we found out today the Leader of the Opposition will be the first Liberal leader in living memory to vote against a tax cut for small business. Sadly, that is how Tony Abbott will go down in history. The party of Robert Menzies, the party of John Howard, which told us that they were the party of small business, will come into this chamber and into the other place and vote against a tax cut for small business. The Liberal Party are the party of wealthy miners, not small business. They are no longer the party of small business. But, even worse, what we are seeing—and I accept the position of the Australian Greens—

Honourable senators interjecting—

The PRESIDENT: Order! Senator Wong, resume your seat. There needs to be silence. Minister, continue.

Senator WONG: Thank you, Mr President. We have heard in recent times the Leader of the Australian Greens put his view as to the party's position. I accept the Greens position; I do not agree with it, but I accept it. I accept that they do not believe in a lower company tax rate. But what is extraordinary is that the Liberal Party are lining up to vote with the Australian Greens to kill a company tax. Who would have thought that the Liberal Party of Australia and the National Party would line up with Senator Brown to try and kill a company tax cut! (Time expired)

Senator CAMERON (New South Wales) (14:12): Mr President, I ask a supplementary question. Can the minister outline to the Senate why it is important for governments to have clear policies and maintain consistency in the delivery of these policies.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:12): Unlike those opposite, we are committed to delivering tax cuts to small business and to the broader economy. The Treasurer has released draft legislation today which will ensure that we can cut company tax to help Australian businesses right across the economy including those that are not in the fast lane and those that are facing...
challenges such as the high dollar. It is legislation that cuts the tax rate for all companies from 30 per cent to 29 per cent for 2013-14 and subsequent income years. And, of course, there will be a head start for small business with the rate applying from 1 July this year—that is, in less than four months time. We on this side understand that this will help small business grow. We understand that the cut in the corporate tax rate is important to increase productivity, to promote broad based economic growth and to encourage more investment and jobs across Australia. But what do we have on the other side? It is interesting. We have opposition yet again—(Time expired)

Senator CAMERON (New South Wales) (14:13): Mr President, I ask a further supplementary question. Can the minister outline to the Senate why this government places a high priority on ensuring all policies are properly costed and that all spending commitments are fully funded. Can the minister outline the implications of not being able to properly cost and fully fund policies.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:14): If you do not cost your policies properly and you do not fund them properly you cannot deliver them properly—and this is the position in which the opposition find themselves. I feel some sympathy for the opposition backbench, because Mr Hockey and Mr Robb, and presumably Senator Cormann, have got themselves into a position where they cannot find enough cuts to make up the $70 billion black hole and so now they have to impose on their party room a vote with the Australian Greens to kill a company tax cut. That is what they have had to impose on their backbench. One wonders if people like Senator Sinodinos think this is a great idea—for the Liberal Party of Australia to not only oppose a small business tax cut but also seek to combine with the Australian Greens not to allow a company tax cut across the economy.

Carbon Pricing

Senator EDWARDS (South Australia) (14:15): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to modelling conducted by the South Australian Treasury, which was obtained under freedom of information laws, which reveals that 1,500 jobs are likely to be lost in South Australia as a direct result of the government's carbon tax. What is the minister's message to the 1,500 South Australians who will lose their jobs following the introduction of the world's biggest carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:16): What my answer would be is: do not be fooled by the fear campaign from those opposite; do not be fooled by them saying they are worried about a carbon price, when their policy would impose a higher cost on your family. Do not be fooled by Senator Edwards saying he cares about jobs, when he is lining up to take $1.5 billion out of the car industry. Why don't you go out to the northern suburbs of Adelaide and sell that, Senator? Why don't you go out to the northern suburbs of Adelaide and explain to the vehicle manufacturers and the workers in that industry why you want to walk away from the automotive sector? What I would also say to those South Australians is this: remember Work Choices, because that showed what the Liberal Party really thinks of working people.

Senator Edwards: Mr President, my point of order goes to relevance. I am purely interested in the minister's message to the 1,500 South Australians. That is my point of order—relevance: the message from the minister to the 1,500 South Australians.
The PRESIDENT: There is no point of order. The minister is addressing the question. The minister has one minute and seven seconds remaining.

Senator WONG: I would say to them; don't be fooled by the fear campaign from those opposite, who peddle mistruths and falsehoods. We can grow our economy, including South Australia's, with a carbon price. We can grow jobs. We can grow our incomes. That is what the modelling shows. We know that a price on carbon is critical to ensuring that we get investment into the clean energy jobs which will sustain our economy in the decades ahead. We know that we do not want to be left behind as the world increasingly moves to put a premium on low-carbon goods and services, and we have designed a plan which will ensure that we make that transition efficiently.

Those opposite have a plan which will impose greater costs on working Australian—not something they care about—and they will give money to large polluters in the hope that they might do something with it. The reality is that the priorities of the coalition are not about jobs; the priorities of the coalition are all about the coalition's fear campaign.

Senator EDWARDS (South Australia) (14:19): Mr President, I ask a supplementary question. Given South Australian Treasury's modelling demonstrates that the carbon tax will have the effect of negating 75 per cent of the jobs created by the proposed expansion of BHP Billiton's Olympic Dam mine, coupled with the fact that South Australia has the worst economic figures of all the states, when will the minister come clean to South Australians about the impact of the carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:19): Well, when will the senator come clean to South Australians with the increased tax he is going to whack Australian households with to fund his climate plan which will not work? When will he come clean on that?

The Treasury modelling projects the economy of South Australia to grow by 23 per cent to 2020 alone and by 108 per cent by 2050, with employment increasing by 2020 with a carbon price—something those opposite simply do not want to hear. With a carbon price we can still have more jobs, more income, and grow our economy. The senator would perhaps do well to look at his party's position when it comes to blocking tax cuts for small business, including South Australians, and the company tax cuts, including South Australians. He would do well to consider the opposition's position on this.

Senator EDWARDS (South Australia) (14:20): Mr President, I ask a further supplementary question. Given that the South Australian Premier and the employment minister were not aware that their own Treasury department had conducted this modelling, isn't this just another example of Labor governments concealing tax modelling to mislead the Australian people about the true impact of this tax? When will the government stop hiding behind the assumptions on which this modelling depends and come clean to the Australian people?

The PRESIDENT: Order! Firstly, the minister can only answer that part of the question which pertains to the portfolio that she is representing. Minister, I ask you to address that part that you can.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:21): I will, as a matter of courtesy to the chamber and the senator, attempt to answer the question.
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Senator Abetz: Why start now?

The PRESIDENT: Order! Senator Wong, continue. Ignore the interjections.

Senator WONG: Thank you, Mr President. I suspect it is a question that should be asked in the South Australian parliament rather than to me, but I would make this point. We have released an unprecedented amount of data and an unprecedented amount of modelling. We have been up-front with the Australian people about our package, including our tax cuts which you also oppose. It is quite interesting that those opposite are opposing personal tax cuts as well as company tax cuts. I would say this: if the senator wants to talk about coming clean, why is it that those opposite cannot bring themselves to come clean with Australians about the cost of their carbon policy? They cannot bring themselves to come clean with Australians about the $1,300 extra in tax that they will impose on working Australians. They will not come clean about that, so do not come into this chamber and lecture us about transparency, Senator.

Afghanistan

Honourable senators interjecting—

The PRESIDENT: Order! Senator Bob Brown is entitled to be heard in silence, as is everyone else who asks a question in this chamber.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:23): Mr President, I respect the opposition's deference to the new Minister for Foreign Affairs, so I have pleasure in asking him a question, to be his first question as minister, and I welcome him to the chamber.

Honourable senators interjecting—

The PRESIDENT: Order! I need to hear the question. Everyone who has finished having their discussion and the excitement is over we will proceed to hear Senator Brown. Those on my right and on my left, order!

Senator BOB BROWN: Thank you, Mr President.

Honourable senators interjecting—

The PRESIDENT: Order! Senator Brown, I think there is just a little bit too much excitement about this question.

Senator BOB BROWN: And a little bit of 'Carrphobia', Mr President, but I have not caught it. I ask the Minister for Foreign Affairs the following. Regarding Afghanistan, Britain has withdrawn 400 troops, the United States is intending to withdraw 33,000 troops by September, both Canada and the Netherlands have withdrawn their whole combat troop complement. How many Australian combat troops will be withdrawn from Afghanistan this year and, if the answer is none, why is that?

Senator BOB CARR (New South Wales) (14:24): I can well understand that it is fear that overtakes any observer in looking at events in Afghanistan. The tragic deaths of 16 civilians killed by an American soldier in Kandahar require us to send our condolences to all the Afghan families affected. This is tragic, and it is tragic because it heightens that drift towards a clash of civilisations, which I think we would be united in wanting to deplore.

I wish to remind the Senate, however, that we are in Afghanistan under a United Nations mandate. I want to remind the Senate that we are there because we sought to deny al-Qaeda a safe haven in the considerations that overtook the world after September 11. That was a legitimate aspiration. We are there as well to set up the Afghan people for a future in which they will not be intimidated by terrorism and in which women will not be denied their rights. I can point with pride to some of the concrete achievements of Australia and its partners...
working in Afghanistan, including: since 2001—and I think it is a very compelling indicator—the number of school enrolments in Afghanistan have increased from one million, virtually none of whom were girls, to over seven million today, and 2.5 million of those are young females; the increased access to basic health care; and the support of the delivery of no fewer than 45,000 community development projects in 25,000 communities.

We are committed with our partners to a transition. It is a transition that sees the Afghan people and their forces take responsibility for defence. We are moving with our forces—(Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:26): Mr President, I ask a supplementary question. I ask the foreign minister: is he aware that the Karzai government just last week promulgated regulations which, amongst other things, permit husbands to beat their wives? I ask him: is he aware of the comments by Malalai Joya, a former Afghan parliamentarian, who said:

I feel confident that if foreign countries stop meddling in Afghanistan and if we are left free from occupation, then a strong progressive and democratic force will emerge.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:26): Mr President, I ask a supplementary question. I ask the foreign minister: is he aware that the Karzai government just last week promulgated regulations which, amongst other things, permit husbands to beat their wives? I ask him: is he aware of the comments by Malalai Joya, a former Afghan parliamentarian, who said:

I feel confident that if foreign countries stop meddling in Afghanistan and if we are left free from occupation, then a strong progressive and democratic force will emerge.

Senator BOB CARR (New South Wales) (14:27): Mr President, I think there would be considerable scepticism from people who have studied Afghanistan that the withdrawal of ISAF partners would lead to that happy outcome. How much all of us would wish that that would be the case, but there is no evidence that a withdrawal would produce such a happy result—that is, a democratic, secular Afghanistan in which rights were more respected than they are today. I take seriously the senator's reference to such objectionable laws as the one he instanced and I will ask our ambassador to Afghanistan, who I spoke to yesterday, to pursue that and to register a protest if, in fact, that is a statement of the case.

We are engaged in a transition process. We want to have our troops out of there as soon as we can, compatible with the achievement of our goals. We are absolutely in lockstep with our partners in this goal.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:28): Mr President, I ask a further supplementary question. I ask the minister: is he aware that each opinion poll shows an increasing number of Australians—most recently 72 per cent, in the Morgan poll—are opposed to having our troops remain in Afghanistan? I ask the minister: why is it that Australia is not in lockstep with its similar partners and has withdrawn no troops from Afghanistan?

Senator BOB CARR (New South Wales) (14:29): Every step in this transition process is performed by us in careful consultation with our partners. We are committed to that transition process. That transition process is already underway. Around half the Afghan population is now living in areas where transition has commenced, and more areas will commence transition later this year, including in Oruzgan province. Australian forces in that province will continue to focus on developing the capacity of the Afghan National Army's 4th Brigade so that it can take on the lead security role in that province before the end of 2014. Neither we nor our partners want to repeat the errors of the past, when a premature withdrawal of forces simply resulted in the emergence of a terrorist safe haven and, worse than that, a colossal degradation of the conditions and freedoms of the struggling people of Afghanistan. (Time expired)

Carbon Pricing

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:30): My question is to the
Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Is the minister aware of the statement made by the Australasian Railway Association at the most recent hearing in the inquiry into grain exports by the Rural and Regional Affairs and Transport Committee that the government's carbon tax will cost the Australian freight sector approximately $20 million per year? The carbon tax is due to start in only 110 days. Why is the government introducing the world's biggest carbon tax, which will be a significant impost on a business vital to Australia's agricultural industry, when regional communities are already struggling after years of droughts and now flooding?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:30): I thank the senator for the question. I am not aware of the specific piece of evidence to the Rural and Regional Affairs and Transport Committee to which she refers. I am happy to consider it further if that would assist, but I would make this point: the government and the Clean Energy package it has brought forward has put in place significant assistance for a range of industries, including a significant amount of investment in the land sector. I am sure Senator Ludwig could talk at length about carbon farming and the amount of investments that the government is making into that area of policy. Obviously our vision there is to enable Australia's farmers to have access, should they so wish, to an alternative income stream—

Senator Nash interjecting—

Senator WONG: Well, you can toss your head, Senator, but that is our intention because we do believe it is something of value that farmers could access—not just in the domestic markets but, over time, in international markets with carbon farming credits.

In relation to rail, I do not have any specific response on that, Senator—

Senator Nash interjecting—

Senator WONG: Thank you for that lecture, Senator, but I do not have any specific response. I would make the point that this government has put a very substantial amount of—

Senator Ian Macdonald interjecting—

Senator WONG: Thank you for that lecture, Senator, but I do not have any specific response. I would make the point that this government has put a very substantial amount of—

Senator Nash interjecting—

Senator WONG: Perhaps if Senator Macdonald would like to answer the question, he could do so. I would be very interested—

The President: Senator Wong, ignore interjections. They are disorderly. Address the question, Senator Wong.

Senator WONG: I do not have any specific information about the rail sector with me, Senator. I am happy to take that on notice and provide some. I would make the point that this government has invested a substantial amount through Minister Albanese's portfolio into the rail sector as well as other areas of infrastructure—significantly more, from my recollection, than ever occurred under your government.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:33): Mr President, I ask a supplementary question. Given the Australasian Railway Association says that not being exempt from the carbon tax will place the freight rail sector at a significant competitive disadvantage and that any further deterioration of market conditions could encourage rail operators to leave the grain freight markets completely, does the minister acknowledge the significance of the freight rail sector for agriculture, and can she explain what the government intends to do to ensure that this outcome never happens?
Senator WONG (South Australia—Minister for Finance and Deregulation) (14:33): Of course we recognise the significance of the sector. I think what the senator is asserting there is that that sector should be exempt. We do take the policy view that the most economically efficient way to transition the economy is to have a broad based carbon price. That was the position advised to former Prime Minister Howard when he was Prime Minister. It was the position advised to us when we entered government, and it is the position we have carried into the policy framework that is the clean energy package.

If you come into this chamber and say, 'Everybody should be exempt', we know what happens there—households end up paying, which is your policy. A broad based carbon price is a much more efficient way to ensure we transition the economy, and that is what we are talking about. We are talking about giving the incentive to investors to invest in the clean energy sector. We are talking about giving the incentive to invest in the renewable energy sector. We are talking about giving business the incentive to do business more cleanly, with less pollution and more highly efficient. (Time expired)

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:34): Mr President, I ask a further supplementary question. Given the minister seems to have little if any understanding of the impact of the carbon tax on agriculture, can she explain why trucks are exempt from the carbon tax for two years, whereas freight trains, which emit fewer emissions, are not?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:35): We did outline in the clean energy package a transition process when it comes to road transport, and the minister has spoken about that. I accept that there are always going to be arguments from different sectors about why they should be exempt and why someone else should not be exempt. I would say this: we have taken a very careful and considered approach across the economy. We have consulted with the agricultural sector, we have consulted with the transport sector and we have consulted with significant industries, such as aluminium, steel and those with a very high carbon exposure. We have put in place a very large amount of assistance to industries to maintain their competitiveness. We are of the view, as John Howard was, that a carbon price is the lowest cost way to move to a clean energy economy—something the Liberal Party used to understand.

Syria

Senator STEPHENS (New South Wales) (14:36): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Can the minister update the Senate on recent events and developments in Syria?

Senator BOB CARR (New South Wales) (14:36): There is now an epic crisis of human rights in Syria. What we are witnessing is appalling and unabated human suffering. More than 7,500 civilians have been killed, tens of thousands of people have been arrested and 18,000 people are in arbitrary detention. They are UN figures. The evidence of widespread human rights abuses, possible war crimes and crimes against humanity is growing. According to Amnesty International, recent testimonies give insights into a system of detention and interrogation which appears intended primarily to degrade, humiliate and terrify its victims into silence. According to Amnesty’s report, detainees have suffered 'prolonged and repeated beatings with various instruments including sticks, rifle butts and electric cables, as well as kicks'.
Australia condemns utterly the violence in Homs that came to light on 11 March. The senseless massacre of women and children only adds to the depravity we have seen since the Assad regime turned its guns on the Syrian people a year ago. There are now reports, hard to believe, that Syrian authorities have placed landmines near the borders with Lebanon and Turkey. It is clear to all that this violence cannot continue.

Australia commends the efforts of UN Arab League special envoy Kofi Annan to bring a political solution to Syria. He visited Syria on the weekend of 10 and 11 March. President Assad has not yet responded to Mr Annan’s proposals. Assad’s recent undertaking about parliamentary elections can be seen as nothing more than window-dressing. It is too little to end the violence. It will not bring peace. In fact, talk of elections in the face of daily killings is laughable. Assad’s earlier promise on political reform has not been honoured and the violence has only worsened. In the *New York Times* on 13 March, the United Nations Secretary-General Ban Ki-moon said— *(Time expired)*

**Senator STEPHENS** (New South Wales) 
(14:38): Mr President, I have a further supplementary question. I thank the minister for that answer. Can he also advise on what next steps the international community could take to actually improve the situation in Syria?

**Senator BOB CARR** (New South Wales) 
(14:39): This week the members of the UN Security Council started another round of discussions on North Africa and the Middle East. Australia was gravely disappointed by the veto by Russia and China of a UN Security Council resolution calling for an end to violence and supporting the Arab League peace plan. The Security Council has again been considering a possible resolution on Syria. Differences within the council, however, remain wide. But every new outrage that comes to light in Syria must galvanise the council’s will to exercise its international peace and security authority under the UN charter. Australia will continue to urge this.

Yesterday I spoke to US Secretary of State Hillary Clinton and congratulated her on her efforts to build Security Council resolve. She said:

… the United Nations believes firmly in the sovereignty and territorial integrity of all
member-states, but we do not believe that sovereignty demands that this council stand silent when governments massacre their own people … I also spoke to British Foreign Secretary William Hague who is no less— (Time expired)

Aged Care

Senator FIERRAVANTI-WELLS (New South Wales) (14:41): My question is to the Minister representing the Minister for Mental Health and Ageing, Senator Ludwig. I refer the minister to the Prime Minister's statement of 21 July 2010 when she proudly announced that aged-care reform would be a second-term priority. I also refer the minister to a statement made by the then Minister for Health and Ageing, Nicola Roxon, that the government would respond quickly to the Productivity Commission's recommendations. Given that it has now been seven months since the Productivity Commission's report was released and we still do not have a response, what is the government's definition of quickly?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:41): I thank Senator Fierravanti-Wells for her question within her portfolio responsibility. We know that older Australians are leading longer, healthier and more prosperous lives than ever before. They will have greater opportunities to age well, lead vibrant lives and participate in society in a productive way. Our population is ageing—and so the opposition make the point—and over the next 40 years the over-65 population will increase from one in six to one in four and the over-85 population will grow from one in 200 to about one in 20. As a nation, we recognise there are pressures on Australia's aged-care system from increasing demand and an undersupply of care and support. Since coming to office, this government has provided more than $51.6 billion for aged-care services but, as recognised in the question, there is still more to be done. Since releasing the final Productivity Commission report Caring for Older Australians, the government has been seeking the views of the community, consumer organisations and the aged-care sector on the recommendations of the report. Mr Butler, the Minister for Mental Health and Ageing, has met over 4,000 older Australians, their families and their carers and engaged with industry stakeholders through their peak organisations, the National Aged Care Alliance and the Ageing Consultative Committee.

We have said from day one that aged-care reform is a second-term priority for this government and we remain committed to commencing fundamental reform in this term of government. The report focuses, as the government requested, on long-term reform with recommendations not just with a view to the next five years but the next 20 years. We want to make sure that we get this right. (Time expired)

Senator FIERRAVANTI-WELLS (New South Wales) (14:43): Mr President, I have a supplementary question. Minister, in the last aged-care approval rounds announced on 22 December 2011, more than 24,000 applications were made to the Department of Health and Ageing for the 1,698 community places advertised. How can the Gillard government, which claims to care for older Australians, sit on its hands while over 22,000 applicants miss out?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:44): Within the aged-care area there has been significant funding from this government,
more than I indicated in my answer to the primary question. There will be $56 billion in government funding for aged care over the next four years and $38.3 billion in government funding for residential aged care over the next four years. More than $12.9 billion is the estimated total revenue from the government and residents for the residential aged-care industry this year.

The estimated average total revenue per resident is $75,000 per year, and the estimated average funding per resident from the Australian government is $51,200 over three years. Since coming to office, this government has significantly increased funding for aged care and residential aged care. The level of funding per resident has grown significantly faster than the CPI due to the indexing and policy changes. (Time expired)

Senator FIERRAVANTI-WELLS (New South Wales) (14:45): Mr President, given the minister's failure to answer both my question and my supplementary question, let me try with my second supplementary question. Minister, on 9 February you informed the Senate: '… the future of our aged-care system is on the minds of many Australians, and we are committed to starting aged-care reform in this term of government …' Aged care is certainly on the minds of the many COTA members in the gallery today. Can you assure them and other older Australians that you will not delay reform any longer?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:46): I thank Senator Fierravanti-Wells for her question. You would recall from when you last asked me a similar question to this, that in formulating a response, we want to get this right. The government will be guided by the four overarching principles I enunciated last time. Firstly, older Australians have earned the right to be able to access quality care and support that is appropriate to their needs when needed. Secondly, older Australians deserve greater choice and control over their care arrangements than the system currently gives. Thirdly, funding arrangements for aged care must be sustainable and fair for both older Australians and for the broader community. Finally, older Australians deserve to receive quality care from an appropriately skilled workforce. This government has been acting and will continue to act on the Productivity Commission's report. We will be guided by those four principles, unlike those opposite who did not fund it. (Time expired)

Foreign Investment

Senator XENOPHON (South Australia) (14:47): My question is to the Minister representing the Treasurer, Senator Wong. Virgin Australia recently announced a corporate restructuring that separates its domestic operation from its international operation. The apparent intention is to allow greater foreign investment without testing the limits of 49 per cent foreign ownership limit for Australian designated international airlines. I note that Qantas has lodged an objection to the Virgin Australia proposal with the International Air Services Commission. Minister, is it possible to avoid foreign ownership limitation of Australian designated international airlines by the creation of elaborate corporate structures? Also, is the foreign ownership test applied to the total investment in all of the associated entities—that is, the consolidated business group—or is it applied to each entity separately?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:47): I thank Senator Xenophon for the
question. I will give him a response and, if there are further issues which I am not able to address in the time frame, I am happy to arrange for a more detailed briefing. First, as a general proposition, he would be aware that foreign investments that are subject to the Foreign Acquisitions and Takeovers Act or the government's foreign investment policy are examined against the national interest. The concept of national interest embodies a number of elements including considerations of issues such as national security, community interests and economic, development, competition and environmental issues.

In terms of the FIRB approval process, the government does not publicly comment or speculate on issues involving any particular foreign investment proposal, not even to comment on whether a specific proposal has been received. This is a longstanding practice of ministers. However, as I understand, the question in part relates to the 49 per cent foreign ownership limit for Australian designated international airlines, which is a specific issue with its own specific rules. I am advised that Virgin's international airlines will be restricted to 49 per cent foreign ownership and the constitution of the new company will contain provisions that require the selldown of foreign interests should they breach the 49 per cent limit.

I am also advised that all Australian companies subject to foreign ownership restrictions are required to comply with ASX rules including to notify the ASX if they come within five per cent of the relevant restriction. If unacceptable ownership of Virgin's international business arises, the government would obviously consider exercising its powers to prevent it. Provisions relating to ownership and control of Virgin are also enforced through the regulatory process such as the system of international airline licences.

Senator XENOPHON (South Australia) (14:49): Mr President, I have supplementary question. In relation to the government's understanding of the rules that apply to Australian designated international airlines, does the government consider the beneficial ownership of a holding company and does it flow down under the control provisions to its associated entities including subsidiaries? Wouldn't such a corporate restructure by Virgin Australia act to increase the overall level of foreign investment in the various parts of its consolidated business group?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:50): I suspect at least some of that is asking me for a legal opinion and I am not in a position to give that—partly because of the standing orders and also because I do not know the answer, to be frank. But I would say this—

Senator Fierravanti-Wells: That's the best answer you've given in a long time!

Opposition senators interjecting—

The PRESIDENT: Order! Senator Wong, ignore the interjections.

Senator WONG: I referenced in the previous answer international airline licences. I am advised the Department of Infrastructure and Transport monitors ongoing compliance with those requirements. I am also advised that as long as Virgin Australia's international airline continues to comply with the provisions of the act—here I am talking about the Air Navigation Act—it is free to structure its domestic operations as it sees fit. Virgin, I understand, has said there will be no job losses as a result of its decision and it will not affect the day-to-day running of its international and domestic airlines. As I said, I have invited Senator Xenophon to a
briefing if he has more detailed questions on some of those issues. I would be happy to arrange for such a briefing.

**Senator XENOPHON** (South Australia) (14:51): Mr President, I have a second supplementary question. I would not dare ask the minister for legal advice, but I would like some policy positions from the government. For instance, if an Australian airline—for example, Tiger Airways Australia—inves in another company that is subject to foreign ownership restrictions, is that investment treated as an Australian investment because it is owned by an Australian company, or is it treated as foreign because all of the shares in that company are foreign owned?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:52): In answering this I am going to be very clear to distinguish between commenting on specific circumstances and commenting on the general. Specifically, it is the case that Tiger Airways is owned by foreign interests and any investment would therefore be treated as foreign investment. As a matter of principle, foreign investments that are subject to the Foreign Acquisitions and Takeovers Act, or the government's foreign investment policy, are examined against the national interest, to which I referred in my primary answer. Again, I say to the senator that we obviously do not comment or publicly speculate on any such specific proposal. To the extent that the question relates to the 49 per cent foreign ownership limit, as opposed to more general rules around foreign ownership, those questions should be properly addressed to the Minister representing the Minister for Infrastructure and Transport.

**Shipping**

**Senator COLBECK** (Tasmania) (14:52): My question is to the Minister representing the Minister for Infrastructure and Transport, Senator Kim Carr. I refer the minister to the report released today on the economic impacts of the proposed shipping reform package, prepared by Deloitte Access Economics, which indicates an increase of up to 16 per cent in coastal shipping rates at a cost of $466 million over the next decade. Given the cost impact the government is imposing with the carbon tax and the already parlous state of the manufacturing sector in this country, how can the government justify adding yet another cost to the industry? Has the government estimated how many Tasmanian jobs will be lost and, if so, how many?

**Senator KIM CARR** (Victoria—Minister for Human Services) (14:53): The government makes no apology whatsoever for asserting that Australian seafarers working on vessels in Australian waters should have the benefit of Australian workplace relations laws and should have a fair safety net for their employment conditions. This position stands in very sharp contrast to that of those opposite who, when they were in government, took the view that foreign ships should be excluded from the protections of Australian law. The position that the opposition took was that Australian working people should not be able to rely upon the protection of Australian law when working on ships off the Australian coast. This allowed foreign seafarers working in Australian waters to be paid significantly less than Australian workers performing work on the same routes.

Clearly, this position is intolerable. This is the equivalent of allowing foreign workers to come to Australia on section 457 visas but not requiring them to be paid the same minimum entitlements as Australian workers. As well as being unfair, it is a disincentive to employ Australians. At a time when we understand the importance of providing real economic opportunities for
Australian workers, you would have thought the Liberal Party would have woken up to itself by now. The Australian government's shipping reforms do not close our coast to foreign ships but do encourage people to be treated fairly and properly under Australian law, and the government makes no apology whatsoever.

With regard to the proposition that this is an attempt to undermine Australian shipping, we are opening up opportunities for Australian shipping and Australian shipping companies.

Senator COLBECK (Tasmania) (14:55): Mr President, I ask a supplementary question. Given that fuel companies have warned that this measure creates uncertainties and irregularities in fuel supplies and leaves my home state of Tasmania 'extraordinarily exposed' in relation to both supply and price, what action will the government take to ensure that Tasmania is not disadvantaged by these new laws?

Senator KIM CARR (Victoria—Minister for Human Services) (14:56): With regard to shipping reform, the Australian government takes the view that we are opening up opportunities, not restricting them. We are ensuring that there will be more ships plying Australian waters. We are able to ensure that costs can be contained in a proper manner which provides proper job security for Australian workers and for them to be employed under decent conditions. In fact, as far as Tasmanians are concerned—

Senator Colbeck: Mr President, a point of order on relevance: my question specifically related to what action the government would take to ensure that Tasmania was not disadvantaged in relation to the supply and price of fuel. It had nothing to do with what the minister has been rambling on about.

Senator Jacinta Collins: Mr President, on the point of order: the minister is addressing the principal question that was raised by Senator Colbeck, which was on shipping reform. The minister's reference to that has been directly relevant and, in dealing with the supplementary, he is able to draw on the primary question.

Senator Abetz: Mr President, on the point of order: when you rule could you indicate for the benefit of the Manager of Government Business that, under sessional orders, when you have a supplementary question your answer has to be directly relevant to that supplementary question and that you cannot go back to the initial question and try to keep answering that because you want to avoid the specific supplementary question.

The PRESIDENT: The minister is required to address the question that has been asked by Senator Colbeck. I draw your attention to the question. The minister has 33 seconds remaining to answer the question.

Senator KIM CARR: It would appear that Senator Colbeck is basing his assertions on the modelling that was undertaken by Deloitte Access Economics. The report is based on a whole lot of false assumptions. It assumes, for instance, that people should be able to operate in breach of the law. That is not the basis on which to run a modern economy. It is not the basis on which to ensure that we get a fair go for Australian workers. Senator Colbeck, if you assume that Tasmania is going to be protected on the basis of breaking the law, you are wrong. (Time expired)

Senator COLBECK (Tasmania) (14:59): Mr President, I ask a second supplementary question. Given that Tasmanian businesses such as Nyrstar and Cement Australia particularly rely on this form of shipping, that Rio Tinto and BHP TEMCO are both under review, that our farming sector is already being hit as a result of the anticipated
carbon tax, that Tasmania is on the verge of recession under the yoke of the local Labor-Greens government and that the majority of Tasmanian industry is dependent on coastal shipping, why is the federal government intent on putting Tasmanian businesses under even more pressure?

Senator KIM CARR (Victoria—Minister for Human Services) (15:00): The essential assumption that Senator Colbeck is putting to this chamber is that industries in Tasmania should be able to rely upon vessels crewed by foreign crews and they should be able to provide a competitive alternative to Australian flagged ships or Australian crewed vessels on the basis that they operate at lower rates of pay—that they should operate on lower conditions for Australian workers. That is the basis for your claim for a reduction of the rates. What you are doing is actually supporting people breaking the law to do such a thing.

The assumptions that you are making are ones that we do not accept. It is not appropriate in the modern age to rely on that form of unfair competition to sustain lower rates in terms of freight—when you are paying less wages for what should be the same work.

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

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Answers to Questions

Senator FIERRAVANTI-WELLS (New South Wales) (15:01): I move:

That the Senate take note of the answers given by the Minister for Finance and Deregulation (Senator Wong), the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) and the Minister for Human Services (Senator Kim Carr) to questions without notice asked by Opposition senators today.

I will start with Minister Ludwig. In fairness, Minister, what a pathetic answer! You did not even give me an answer. I asked you a simple question—that is, when will the government be responding to the Productivity Commission? Despite the promise that was made by Prime Minister Gillard that aged care reform would be a second-term priority and despite the promise made by then Minister Roxon on the same day, when they both attended the New South Wales nurses’ conference, that a response would be provided quickly, we are still waiting. Older Australians are still waiting for a response to understand what this reform could mean to them.

In the time available to me let us just look at the record of the Rudd-Gillard government on ageing. It was, in one word: neglect—absolute neglect.

Senator Ludwig: Tell the truth.

Senator FIERRAVANTI-WELLS: It was neglect, Senator Ludwig. Let me take you back to August 2007, when then opposition leader Kevin Rudd was criticising the coalition by saying that the then government had not been providing enough aged-care beds and people were becoming bed-blockers in acute hospital beds. I can tell you that they have now had a long time to rectify what Mr Rudd was then saying was deficient with the system. Do you know what—the system has gone backwards. In 2007 we saw Kevin Rudd promise new directions for frail and older Australians, which was going to make the transition from hospital to aged care a priority area. But today, as Catholic Health Australia will tell you, on any given night in Australia there are 3,000 people who are in a hospital because there are not sufficient beds. They are in hospital when they should be better cared for in residential aged care.
So let us look at what this government has spent its time doing. We have seen review after review. That is nothing new with the Rudd and Gillard governments. It has been a feature of their time in government. We have seen over 20 reviews and inquiries into ageing and aged-care issues. One provider in Tasmania told me that he had provided no fewer than 21 submissions to no fewer than 21 reviews, all to no avail. And each one of these reviews has been ignored by the government and not responded to. No decisions have been made. And many of these reports have been highly critical of the government and its failure to act.

Despite the commitments, we have had broken promises in terms of the number of aged-care nurses and the number of training places. And we have had the debacle of the zero-interest loans. So much for additional transition care places! The care places that were promised have not been filled.

When you look at the Rudd and Gillard governments' so-called health reforms, aged care and my other portfolio responsibility of mental health were missing. One only has to look at the scathing evidence that was given to the Senate inquiries into the COAG alleged reforms to see just how bad the situation is with aged care and with mental health.

Let us look at the 2010 election promises which were, of course, light on ageing and aged care. The only mention of ageing and aged care at the last federal election was the one line that Prime Minister Gillard made that, yes, ageing and aged-care reform would be a second-term priority. But let me take the Senate to 2010 election when Ms Gillard had to defend herself against the serial leaker who claimed that she had not supported big increases in the age pension 'because older people never vote for us'. She denied it, but of course the serial leaker had told us what happened. The bottom line is that you asked for the Productivity Commission report. It has now been delivered. We need a response.

Senator GALLACHER (South Australia) (15:06): In the short time I have been in this chamber the opposition has been consistent in their fear campaign with respect to carbon pricing. Despite the fact that it is alleged they have some believers, deniers, and backflippers in the ranks, they are consistent about trying to scaremonger in my home state and across the whole of Australia with respect to the impact of carbon pricing.

The fact is, quite simply, that the government stands by the Treasury modelling. It is one of the most extensive and robust economic modelling exercises ever performed in Australia. Treasury modelling confirms that, with a carbon price, growth in the Australian economy will be decoupled from growth in carbon pollution. It projects that under a carbon price strong economic growth will continue. Gross national income is projected to grow at 1.1 per cent per year to 2050. Incomes will continue to grow, despite assertions from the other side. Real income per person is projected to increase from today's levels by $9,000 per year to 2020. Employment will continue to grow, despite assertions to the contrary, with 1.6 million new jobs created by 2020.

Pollution will fall, and who does not want a bit of that? I do not think any voting Australian or any person in the parliament does not want to leave a better environment and society for their children and grandchildren. By 2020 carbon pricing is expected to have reduced Australia's domestic emissions by nearly half of what they would have been without a carbon price. The price impacts will be modest—a one-off increase of 0.7 per cent to the CPI. This compares with the 2.5 per cent increase
that was the result of the GST—which was going to bring the world to an end but never did. Gross state product for all states continues to grow strongly.

It is important to emphasise that the price impacts on households are modest and that tax cuts, pension increases and other benefit increases will assist nine out of 10 households to meet these modest impacts. We also know from Treasury analysis that the economic cost of the coalition's policy is at least double that of a carbon price.

Firstly, the opposition are attacking the assumptions used. The opposition know that they are wrong on this. They have had detailed briefings at Senate estimates and yet they still make these outrageous claims. The Treasury modelling makes two key assumptions about international action: firstly, that countries meet their low-end pollution reduction targets by 2020 and, secondly, that countries have access to international abatement. Given the significant international efforts that exist to reduce carbon pollution and the size of the carbon markets already in operation, these assumptions are more than reasonable.

Secondly, the opposition are attacking the Treasury for refusing to release further details. This ignores the fact that the modelling has been the most extensive in our history and is far more transparent than any we have ever seen from the coalition. For example, the introduction of the GST was not accompanied by analysis as comprehensive and transparent as the Treasury reports on the economics of carbon pricing. The only assumptions left relate to the highly technical modelling code. The economic mechanisms used in such models are well known to economists without seeing a model code, and all relevant assumptions used in modelling have been published.

Unlike the policy of those opposite, the clean energy future plan is a genuine economic plan which will underpin the growth of new industries, provide investment certainty and allow the economy to remain competitive in a carbon constrained world. In comparison, subsidies for polluters and $1,300 per household—(Time expired)

Senator COLBECK (Tasmania) (15:12): I too rise to take note of answers given by government ministers today, in particular those by Senator Kim Carr in relation to the proposed changes by the government to the proposed shipping reform package—in particular, the impacts that are becoming available as a result of the release of the Deloitte Access Economics report this morning.

I first put to bed the myth that is being peddled by Minister Albanese that provisions that are considered as part of this report are already in place. This report specifically deals with further restrictions that will apply as a result of the new reforms. Minister Albanese would like to misrepresent what the report is actually saying, but it is quite clear. Here is the report. I have had a look at it and it clearly says—despite what Minister Carr said today and what Minister Albanese is saying—that it deals with further restrictions placed on industry as a result of the new reforms proposed in the legislation.

It would be of great concern to me—and I know that it would be of great concern to you, Mr Deputy President—if Tasmania were to suffer an inconsistency of supply with doubt about the price of fuel. The price of fuel in Tasmania is already a concern,
given that we rely on coastal shipping to get it to Tasmania. The prescriptions that are in the proposed legislation create severe doubts. I do not say that as a result of just the report; I say it as a result of talking to the fuel companies. They say that Tasmania is extraordinarily exposed to the vagaries of supply and price as a result of this. That is not a circumstance that we can allow to occur. My question to Minister Carr today, which he failed to answer—not that I am surprised about that—was: what is the government going to do to ensure that Tasmania is not extraordinarily exposed in relation to both supply and price? It is a very fair question for us to ask. I also asked Minister Carr to tell us about why the additional imposts are being imposed on Tasmanian businesses. I will give you an example of something that occurred this morning during some discussions I had. I received an email this morning from a vegetable grower in Tasmania, before they had heard of this additional potential impact of the legislation. It said, 'I don't think we'll be sowing any onion seed in two months time.' They are already making decisions because of the cost impacts and the other economic impacts that this government is applying. They are going to suffer the cost of a carbon tax as of 1 July. They are already suffering from a high dollar. We have seen the loss of international shipping services out of Tasmania, which is imposing significant additional costs on our exporters. We are seeing an additional cost come through as a result of the actions of the Victorian government and the Port of Melbourne, and now we have a further increase of up to 16 per cent in the cost of freight out of Tasmania. Why would people not be concerned? Why won't the government answer a question as to what they might do to mitigate that? All they are interested in is applying additional cost to Tasmanian business and industry.

As I said in my question to Minister Carr, we have Rio Tinto at Bell Bay under review. We have BHP's Temco plant at Bell Bay currently closed and under review. This legislation applied particular pressure to Cement Australia at Railton and Nyrstar's plant in Hobart. It applies particular pressure to those. It also has the potential to apply pressure to grain being imported and exported out of the state, particularly in bulk. Why should we not ask questions about the impact of that, and why wouldn't the government answer those questions? The Tasmanian economy is currently in a very parlous state. That is accepted. The Labor-Green accord in Tasmania has made the investment profile down there completely and utterly toxic, and yet here we have the Labor government applying even more cost. They might have a shipping industry but they will not have anything to move around the country, because they will be closing down manufacturing because of it. (Time expired)
In developing its response to the Productivity Commission's report the government has initiated meetings with key stakeholders, and a national conversation with older Australians and their families and carers has been undertaken by the Minister for Mental Health and Ageing, Mr Mark Butler. As Senator Ludwig said in his response to Senator Fierravanti-Wells today, Mr Butler has met with more than 4,000 older Australians as well as families and carers, with the industry stakeholders through their peak bodies, with the National Aged Care Alliance and with the Ageing Consultative Committee.

Mr Butler came down to Tasmania last year and conducted three forums across Tasmania—one in Hobart, one in Launceston and one on the north-west coast. All of those forums were very well attended. I think I have reported here in the Senate as to how well attended they were and how appreciative aged-care people were of being able to consult and talk directly with the minister—something they probably were not able to do under the previous government.

I will mention some more facts, because I am sure that Senator Fierravanti-Wells will be listening keenly to get some facts. I know she has got a plan, so if I give her some facts it might assist her. We have more than $56 billion in government funding for aged care over the next four years. We have $38.3 billion for residential aged care over the next four years, more than $12.9 billion estimated total revenue for the residential aged-care industry this year, and $75,000 estimated average total revenue per resident this year. There has been a 26.7 per cent increase in income per resident from all sources over the last three years and an 8.2 per cent average annual increase in funding per resident from all sources over the last three years. There has been an 8.5 per cent increase in funding per resident from the Australian government over the previous year, and of course a 2.7 per cent average annual increase in the CPI over the last three years. The Gillard government's goal is to see an aged-care system that is financially sustainable, that is fair for those who use it and that provides the choice, quality of care and support that Australians need and deserve in their later years.

Just last week I had an opportunity to participate in the Age Well campaign that is being conducted and supported by providers, unions and the workforce. That gave me an opportunity to walk in the shoes of a carer who works in the aged-care system, and I have to say that it was one of the most satisfying exercises that I have undertaken as a senator for Tasmania. I was looked after by a team of highly qualified carers. I had a team that allowed me to see firsthand the personal and professional care that they give to residents and also, I have to say, the other tasks in terms of making sure that residents are happy and well looked after. (Time expired)

Senator BERNARDI (South Australia) (15:22): In rising to take note of answers given by Senator Wong I cannot fail to respond to one of the points made by Senator Gallacher in his contribution to this taking note debate. Senator Gallacher said that the government stood by the modelling of the government's carbon tax by Treasury. I find it extraordinary that they put so much faith in the modelling by Treasury that is making predictions about the future and yet they will not even stand by a simple promise that they made at the last election. It is a promise that will haunt the government to their political grave and will probably result in the demise of this Prime Minister. The words of that promise are immortal words that are etched in the memory of every Australian today: 'There will be no carbon tax under the government I lead.' Well, the carbon tax has
been legislated. Ms Gillard joined up with the Greens party to impose on the Australian people a tax that is unwarranted, unnecessary, expensive and going to be ineffective.

Despite Senator Wong's claims that the government does not have a crystal ball, in her own words the modelling suggests that the carbon price is going to be somewhere between $29 and $55 in only a few short years. We know that, where countries in the rest of the world have enacted an emissions trading scheme or some other carbon dioxide mitigation scheme, the prices of emissions permits have fallen dramatically. We also know that emissions themselves have not fallen dramatically. That will be the case with this government's policy as well because, under the same modelling that this government stands by, Australia's emissions will increase from 578 million tonnes to 621 million tonnes by 2020—they are going to increase in the next eight years.

So why are we having a carbon dioxide tax? We know that prices are going to continue to rise. It is going to put up the price of electricity. The government estimates a rise of up to 10 per cent, but private enterprise is saying the rise is going to be much, much higher than that. The electricity generators themselves are predicting a 20 per cent rise. Gas prices are scheduled to go up by about nine per cent in the first year alone, and they will continue to rise because the government has set a minimum floor price on carbon dioxide emissions for industry. Those costs will be passed on to every single consumer and every single business right across the country. That is why the Australian economy and the Australian people cannot afford this broken promise by this malign and very poor government.

The government claims, of course, that it is going to be paying compensation. It acknowledges that because it knows it is going to be hurting families, and that is the purpose of this carbon dioxide tax. It is not about the environment whatsoever. We know the globe has not warmed over the last 15 years in total and we know that emissions have been rising over that time. How can you explain that? Even the government's paid mouthpiece, Professor Tim Flannery, who is a professor of anthropology but a self-designated climate change expert, has said he cannot explain why the globe is cooling. The entire scam that is being perpetrated upon the Australian people in compliance with other international jurisdictions, including organisations like the IPCC—which is conveniently forgotten in this debate but was used as the source of authority by Senator Wong when she was previously in the climate change portfolio—has been comprehensively debunked. The alarmist propaganda has been proved to be untrue and the falsehoods in the IPCC reports have come to light. Of course, that will not be acknowledged by the government, who will not even stand by a crystal-clear promise to the Australian people at the last election.

What the government does not say is that the accumulated cost for the taxpayer over the first nine years of the carbon tax will be $132 billion. It is going to create a massive black hole as compensation is handed out and the government uses taxpayers' money to buy shares in green projects which the private sector will not back. If you ask me and if you ask the Australian people to make an assessment of who is better equipped to make an investment, whether it is the private sector or the government, just have a look at the track record of this government. They invested in pink batts; then they invested the same amount to take them out when houses burnt down and people were killed. They are now investing in lumbering the Australian economy with a carbon tax which is unnecessary and ineffective. (Time expired)
Question agreed to.

NOTICES

Presentation

Senator Rhiannon to 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 book banks, 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.

Senator Sterle to 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.

Senator Crossin to move:
That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 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.

Senator Furner to 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.

Senator Macdonald to 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.

Senators Xenophon, Birmingham and Hanson-Young to 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.

Senator Bob Brown to 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.

Senator Milne to 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) reconsider 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.

Withdrawal

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (15:27): I withdraw the government business notice of motion for 21 March 2012 relating to the consideration of legislation.

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Waters for today, proposing a reference to the Rural and Regional Affairs and Transport References Committee, postponed till 15 March 2012.

COMMITTEES

Rural and Regional Affairs and
Transport Legislation Committee

Reporting Date

Senator McEWEN (South Australia—Government Whip in the Senate) (15:28): by leave—At the request of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, 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 Air Navigation and Civil Aviation Amendment (Aircraft Crew) Bill 2011 and the Qantas Sale Amendment (Still Call Australia Home) Bill 2011 be extended to 22 March 2012.

Question agreed to.
Economics References Committee
Reference

Senator CORMANN (Western Australia) (15:29): I, and also on behalf of Senators Bushby and Williams, move:

That the following matter be referred to the Economics References Committee for inquiry and report by 31 October 2012:

An examination of recent developments in the banking sector arising out of the impact of the global financial crisis and subsequent events, including:

(a) the impact of international regulatory changes on the Australian banking sector, particularly including changes to liquidity and capital holding requirements;

(b) the impact on relative shares of specific banking markets;

(c) the current cost of funds for lending purposes;

(d) the impact on borrowing and lending practices in the banking sector both during and since the global financial crisis;

(e) the need for further consideration of the state of the broader finance and banking sector; and

(f) any other relevant matters.

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

A division having been called and the bells being rung—

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (15:30): Mr Deputy President, I seek leave to cancel the division.

The DEPUTY PRESIDENT: Leave is sought to cancel the division. Is leave granted?

Leave granted.

The DEPUTY PRESIDENT: The Clerk has just informed me that I should call the result on that vote. I declare that vote in favour of the ayes.

MOTIONS

Cyber-Safety Committee
Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (15:31): I move:

That the Joint Select Committee on Cyber Safety be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 21 March 2012, from 4.15 pm.

Question agreed to.

Migration Committee
Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (15:31): I move:

That the Joint Standing Committee on Migration be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 21 March 2012, from 10.30 am.

Question agreed to.

Legal and Constitutional Affairs Legislation Committee
Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (15:31): I move:

That the Legal and Constitutional Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 15 March 2012, from 4 pm, to take evidence for the committee's inquiry into the provisions of the Classification (Publications, Films and Computer Games) Amendment (R 18+ Computer Games) Bill 2012.

Question agreed to.

Treaties Committee
Meeting

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:32): I move:
That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Monday, 19 March 2012, from 10.30 am.

Question agreed to.

**Law Enforcement Committee Meeting**

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (15:32): I move:

That the Parliamentary Joint Committee on Law Enforcement be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 15 March 2012, from 10.30 am.

Question agreed to.

**Legal and Constitutional Affairs References Committee Reporting Date**

**Senator WRIGHT** (South Australia) (15:32): I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs References Committee on prospective marriage visas be extended to 7 June 2012.

Question agreed to.

**Legal and Constitutional Affairs Legislation Committee Reporting Date**

**Senator McEWEN** (South Australia—Government Whip in the Senate) (15:33): I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Legislation Committee on the provisions of the Classification (Publications, Films and Computer Games) Amendment (R 18+ Computer Games) Bill 2012 be extended to 21 March 2012.

Question agreed to.

**Community Affairs Legislation Committee Meeting**

**Senator McEWEN** (South Australia—Government Whip in the Senate) (15:33): I move:

That the Community Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 22 March 2012, from 1 pm, to take evidence for the committee's inquiry into the 2011-12 additional estimates.

Question agreed to.

**BILLS**

**Solar Hot Water Rebate Bill 2012 First Reading**

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (15:34): I move:

That the following bill be introduced: A Bill for an Act to provide for the expenditure of money appropriated for the Solar Hot Water Rebate scheme, and for related purposes.

Question agreed to.

**Senator KROGER:** I present the bill and move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (15:35): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill and to have the second reading speech incorporated in *Hansard* and to continue Senator Birmingham's remarks.

Leave granted.
The speech read as follows—

The Solar Hot Water Rebate Bill 2012 compels the Government to spend the full $63.5 million funding allocated to the Solar Hot Water Rebate, under its 'Renewable Energy Bonus Scheme', in 2011-12.

The Coalition has been moved to introduce this bill by the Government's premature closure of its $1000 Solar Hot Water Rebate on 28 February 2012.

Businesses and homeowners were given no prior notice of the closure of this program, a repeat of the damaging sudden closure of the solar panel rebates under the Solar Homes and Communities Plan by then Minister Peter Garrett in 2009.

Contrary to its claims that the Government has been clear that the Solar Hot Water Rebate was always going to end on 30 June 2012, the Government's own program guidelines did not even mention a closure date.

While the Government is allowing applications to be lodged up to 30 June 2012, to be eligible for the scheme the systems had to have been installed, ordered or purchased on or before 28 February 2012, the day the scheme's closure was announced.

This is devastating for families who had been contemplating installing a solar hot water system and had every reason to believe they would be able to receive the rebate.

Solar hot water is a real and practical way that families can reduce their greenhouse gas emissions and cut their power bills ahead of the 1 July introduction of the Government's carbon tax.

The closure of the Renewable Energy Bonus Scheme and its Solar Hot Water Rebate shows the contradiction of this Government which is happy to slug families with a carbon tax from 1 July but which takes away a valuable solar program.

The Coalition, in contrast, is committed to the solar industry and, as part of our Direct Action Plan, we have a one million solar roofs policy including provision for the installation of solar hot water systems.

For now, this Bill simply compels the Government to spend allocated funds on the purpose for which they were appropriated.

The Government's own budget shows that $63.5 million funding was allocated to the Solar Hot Water Rebate in 2011-12, with $24.5 million set aside for the program in 2012-13.

The Government would have us believe that the processing of applications after 30 June will account for the $24.5 million allocated for next financial year.

However, the Coalition strongly suspects that, by winding up the program as prematurely as it has, the Government is effectively ripping funding out of the solar hot water scheme. This is funding that was budgeted and, in the case of the current financial year, appropriated for the purpose of this program.

The Labor Government may be desperate for budget savings at any cost, but that does not justify prematurely pulling the rug out from industry by ending programs that are budgeted for without any notice or transitional arrangements at all.

This premature closure suggests either that there has been complete incompetence in the management of the scheme or that the Government is not being honest with the Australian people – not for the first time – and has been willing to sacrifice the solar hot water industry to prop up its own budget.

This Bill will at least require the $63.5 million in appropriated funds to be used for the stated purpose, namely supporting the installation of solar hot water systems. Further, while the Senate is not in a position to legislate in relation to $24.5 million budgeted for 2012-13, the passage of this Bill would at least send a strong signal to the Government that they should honour that promise too.

This Bill is important to restoring some certainty to the solar hot water industry and some hope to households looking to reduce the spiralling energy costs they face under the carbon tax.

I commend this Bill to the Senate.

Debate adjourned.
MOTIONS

Parliamentary Library

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (15:35): I move:

That the Senate—
(a) notes:
(i) the impact of the Government's efficiency dividend and reduction in all capital budgets on the Parliamentary Library and its ability to continue to provide quality services to senators and members, and
(ii) that, whilst a number of cultural agencies are exempt from the additional 2.5 per cent efficiency dividend announced in December 2011 in the mid-year economic and fiscal outlook, the existing efficiency dividend of 1.5 per cent is continuing to have a disproportionate and unfair impact on many cultural agencies which are being forced to make savings by cutting staffing numbers, curtailing operations and limiting and delaying exhibitions; and
(b) calls on the Government to restore the Parliamentary Library's budget in full.

The DEPUTY PRESIDENT: The question is that notice of motion No. 677 standing in the name of Senator Bob Brown be agreed to.

The Senate divided. [15:40]
(The Deputy President—Senator Parry)
Ayes..................11
Noes..................37
Majority..............26

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

NOES
Boyce, SK
Cameron, DN
Cash, MC
Collins, JMA
Crossin, P
Faulkner, J
Feeney, D
Fisher, M
Gallacher, AM
Kroger, H (teller)
Lundy, KA
McEwen, A
McLucas, J
Nash, F
Polley, H
Ronaldson, M
Thistlethwaite, M
Williams, JR

Brown, CL
Carr, RJ
Colbeck, R
Cormann, M
Edwards, S
Fawcett, DJ
Fifield, MP
Furner, ML
Humphries, G
Ludwig, JW
Marshall, GM
McKenzie, B
Moore, CM
Parry, S
Pratt, LC
Stephens, U
Urquhart, AE

Question negatived.

Convention on the Rights of the Child

Senator HANSON-YOUNG (South Australia) (15:43): I move:

That the Senate—
(a) notes:
(i) the launch of the Third Optional Protocol on the Convention on the Rights of the Child, which proposes four procedures for children, young people, and their advocates to report a violation of child rights directly to the Committee on the Rights of the Child,
(ii) that the Third Optional Protocol opened for signature on 28 February 2012 and was signed on that day by countries, including Austria, Belgium, Chile, Costa Rica, Finland, Germany, Italy, Luxembourg, Maldives, Mali, Montenegro, Morocco, Peru, Portugal, Serbia, Slovakia, Slovenia, Spain and Uruguay; and
(iii) the Third Optional Protocol offers a crucial opportunity to strengthen mechanisms for equality and justice for all children and young people in Australia; and
(b) calls on the Government to ensure that Australia signs on to the Third Optional Protocol on the Convention on the Rights of the Child without delay.

NOES
Back, CJ
Bilyk, CL

The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator JACINTA COLLINS: The government welcomes any discussion about furthering the promotion and protection of children's rights. The Attorney-General's Department is conducting a consultation to this effect. No decision has yet been made as to whether Australia may become a party to the optional protocol and Australia has not made any statement regarding refusal to sign. It would be premature to announce an intention to become a party to the optional protocol without undertaking appropriate consultation processes, as we are currently doing.

Senator HANSON-YOUNG (South Australia) (15:44): I seek to make a brief statement.

The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator HANSON-YOUNG: I am disappointed that the government have not signed the optional protocol as yet. There seems to be no excuse as to why not. I would hope that in their discussions they are indeed speaking with the very children whose rights are being violated. They, of course, are the 500 or so children who remain under the legal guardianship of the Minister for Immigration and Citizenship, Chris Bowen. If this protocol were to be signed, they would be able to complain directly to the UN and have them investigate whether the immigration minister is indeed upholding his duty of care to the very same people for whom he is both the jailer and the legal guardian.

The DEPUTY PRESIDENT: The question is that the motion moved by Senator Hanson-Youn be agreed to.

The Senate divided. [15:45]

(The Deputy President—Senator Parry)

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

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

NOES
Back, CJ
Boyce, SK
Brown, CL
Cameron, DN
Cash, MC
Colbeck, R
Colburn, J
Corn, M
Edwards, S
Faulkner, J
Fawcett, DJ
Feeney, D
Fifield, MP
Fisher, M
Furner, ML
Gallacher, AM
Humphries, G
Kroger, H (teller)
Ludwig, JW
Lundy, KA
Madigan, JJ
Marshall, GM
McEwen, A
McKenzie, B
McLucas, J
Moore, CM
Nash, F
Parry, S
Polley, H
Pratt, LC
Ronaldson, M
Stephens, U
Thistlethwaite, M
Urquhart, AE
Williams, JR
Xenophon, N

Question negatived.

Afghanistan

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (15:48): I move:

That the Senate calls on the Government to begin the safe withdrawal of Australia's troops from Afghanistan while increasing our civilian aid program.
The DEPUTY PRESIDENT: The question is that the motion moved by Senator Bob Brown be agreed to.

The Senate divided. [15:49]

(The Deputy President—Senator Parry)

Ayes: ...................... 10
Noes: ...................... 35

Majority: ............... 25

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

NOES
Back, CJ
Brown, CL
Cash, MC
Collins, JMA
Edwards, S
Fawcett, DJ
Fifield, MP
Furner, ML
Humphries, G
Ludwig, JW
Madigan, JJ
McEwen, A (teller)
McLucas, J
Nash, F
Polley, H
Ronaldson, M
Thistlethwaite, M
Williams, JR

Question negatived.

Nuclear Submarines

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (15:52): I move:

That the Senate reject the proposal, backed by the former Minister for Defence, Mr Peter Reith, for Australia to purchase nuclear submarines serviced in the United States of America (US) or at a US base established in Australia.

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

The Senate divided. [15:53]

(The Deputy President—Senator Parry)

Ayes: ...................... 11
Noes: ...................... 32

Majority: ............... 21

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

NOES
Back, CJ
Boyce, SK
Brown, CL
Cameron, DN
Cash, MC
Colbeck, R
Collins, JMA
Cormann, M
Edwards, S
Feeney, D
Fifield, MP
Fisher, M
Furner, ML
Gallacher, AM
Humphries, G
Kroger, H
Ludwig, JW
Lundy, KA
Marshall, GM
McKenzie, B
McEwen, A (teller)
McLucas, J
Moore, CM
Parry, S
Pratt, LC
Stephens, U
Urquhart, AE

Question negatived.

Syria

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (15:56): I move:

That the Senate—

(a) condemns the awful loss of life and liberty in Syria;

(b) notes the receipt of the Syrian Chargé d’Affaires reply to the Senate’s resolution of 9 February 2012; and

(c) renews its call for President Assad to resign immediately.
That, as 2012 is the Australian Year of the Farmer, the Senate:

(a) recognises that the Australian agricultural industry offers excellent career opportunities, including:
   (i) approximately 100,000 jobs in the agricultural sector,
   (ii) 2.5 jobs for every agricultural graduate, and
   (iii) a diverse range of careers requiring a wide range of skill levels;

(b) acknowledges that responding to the expanding global food task will require Australia to substantially up-skill and increase the size of its agribusiness workforce;

(c) recognises that there are declining participation rates and graduates in the agriculture sector as tertiary agricultural science courses on offer decline, and secondary school students do not take up undergraduate courses; and

(d) calls on the Government to:
   (i) resource the promotion of careers in agriculture through the primary and secondary school system,
   (ii) incentivise universities to offer agricultural science courses, and
   (iii) encourage industry in the development of agribusiness educational and training resource material.

Question agreed to.

**Agribusiness**

**Senator BACK** (Western Australia) (15:57): I, and also on behalf of Senators Nash and McKenzie, move:

That the Senate rejects calls to reduce funding to non-government schools to 2003-04 levels that would put at risk the financial viability of many non-government schools and leave many students disadvantaged.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (15:57): I seek leave to amend general business notice of motion No. 679 standing in Senator Humphries's name.

Leave granted.

**Senator BOB BROWN**: I move:

Omit all words after “rejects”, substitute “Opposition calls to reduce education funding by $2.8 billion”.

The **PRESIDENT**: The question is that the amendment moved by Senator Bob Brown be agreed to.

The Senate divided. [16:02]

(The President—Senator Hogg)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
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<td>36</td>
<td>32</td>
</tr>
</tbody>
</table>

Majority...4

**AYES**

Bishop, TM
Brown, RJ
Carr, RJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ

**NOES**

Abetz, E
Bernardi, C
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fisher, M

Back, CJ
Birmingham, SJ
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fifield, MP
Humphries, G

**Education Funding**

**Senator HUMPHRIES** (Australian Capital Territory) (15:57): I move:

That the Senate rejects calls to reduce funding to non-government schools to 2003-04 levels that would put at risk the financial viability of many non-government schools and leave many students disadvantaged.
Question agreed to.

**The PRESIDENT:** The question now is that the motion (Senator Humphries's), as amended, be agreed to.

Question agreed to.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (16:05): Mr President, I ask you to rule at your leisure. I note that Senator Humphries voted against his motion, as amended.

**The PRESIDENT:** I will rule now. It was by then an amended motion, Senator Brown, so he did not vote against his motion. It was a motion, as amended.

**Future Fund**

**Senator CORMANN** (Western Australia) (16:05): I move:

That there be laid on the table by the Minister for Finance and Deregulation, no later than noon on 15 March 2012, a copy of the two page memo to the Department of Finance and Deregulation containing advice from Mr David Gonski about the appointment of the next chair of the Future Fund.

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

The Senate divided. [16:07]

(The President—Senator Hogg)
Libya: War Graves

Senator RONALDSON (Victoria) (16:10): I, and also on behalf of my friend and colleague Senator Williams, move:

That the Senate—

(a) condemns the wanton desecration of 238 Allied and Australian graves at the Benghazi Commonwealth War Cemetery in Libya by radical militants;

(b) acknowledges that the headstones of 52 Australians were damaged in the attack;

(c) remembers all Australians who served in north Africa during World War II; and

(d) calls on the Libyan Government to meet the costs of restoring the cemetery, noting that Australia alone has given more than $44 million in humanitarian aid assistance to Libya since 2011, making Australia the third-largest aid donor to Libya.

Question agreed to.

COMMITTEES

Scrutiny of Bills Committee

Report


Ordered that the report be printed.

Treaties Committee

Report

Senator BIRMINGHAM (South Australia) (16:11): I present the 123rd report of the Joint Standing Committee on Treaties. I move:

That the Senate take note of the report.

Report No. 123 of the Joint Standing Committee on Treaties contains the committee's views on a series of treaties which were tabled on 13 October, 2 November, 22 November and 24 November 2011. One of the more important treaties covered in this report was the agreement to extend the existing agreement between the government of Australia and the government of the United States of America concerning the conduct of scientific balloon flights for civil research purposes until 2022. The agreement provides NASA with the use of facilities and services for balloon launchings and recoveries in Australian territory, tracking and transmission of information and data from each balloon, and the recording and sharing of information from these flights between NASA and Australian scientists as well.

Australia has derived significant scientific and economic benefits from activities conducted under the 2006 agreement, especially through encouraging collaboration between Australian scientists and NASA scientists. The Australian scientific community supports quite strongly the continued participation of Australia in NASA's balloon program. Australian scientists have also flown their own balloon experiments or have been collaborators with other scientists as a result of some of this work. Extending the agreement will enable Australian scientists to continue this research and will further ensure that Australia remains entitled to receive data from these experiments. It is a genuine win for the Australian scientific community as it is for global scientific development.

In April 2010 there was an incident where a NASA balloon became involved in an accident at a launch. Although no-one was injured or killed, this appears essentially to have been the result of good fortune. The committee did question this incident and was very interested to hear the measures that have been put in place to ensure such an incident is not repeated if at all possible. From the evidence presented during the
inquiry, it does appear that corrective procedures have been introduced. Notwithstanding this one negative occasion, the committee does believe that the agreement facilitating scientific balloon launches by NASA in Australia is a genuine benefit for Australia. It is of benefit to our economic circumstances and to our scientific relations and advancement and there are political and diplomatic benefits that justify the continuing of this relationship. So in regards to this treaty we strongly recommend that binding treaty action be taken.

The treaties committee also approved a series of other treaties, including two agreements amending the International Convention for the Prevention of Pollution from Ships, an agreement between Australian and the European Space Agency on space vehicle tracking, four tax information exchange agreements and a social security agreement between Australia and the Republic of Latvia. It is pleasing to see a continued stream of tax information exchange agreements come through the treaties committee and be finalised by the government. This is part of a global effort to try to shut down tax havens and ensure that all earnings are treated in a fair and equitable manner when it comes to the tax system. It is important to be able to share this information and these four countries are good additions to an already successful long list—which dates back to the Howard government—of agreements struck between Australia and other countries or domiciles often seen as tax havens.

The social security agreement between Australia and the Republic of Latvia provides for improved access to Australian and Latvian retirement benefits and greater portability of these benefits between the two countries. This is like numerous other agreements that have been struck in relation to social security benefits. Improved access to benefits is an underlying principle of bilateral social security agreements where the responsibility for providing benefits is shared between the two countries that are parties to the treaty. Under this agreement residence in one party's territory will not affect a person's entitlement to benefits under the legislation of the other party. People who move between Australia and Latvia will be able to do so in the knowledge that their rights to benefits are recognised in both countries. As an aside, I note that, when considering this treaty, the signature on behalf of Australia in entering into this agreement with Latvia is the signature of the Special Envoy of Australia to Eastern Europe, the Balkans and the Caucasus, esteemed former senator Dr Russell Trood. It is pleasing to see former senator Trood continuing his good work in this way on behalf of the Australian people.

I note that in regard to these social security agreements there has been a trend where Australia perhaps fulfils its side of the bargain a little more vigorously than do the other parties. If we look at the time it takes to process applications from those seeking pensions, data indicates in some instances that Australia is processing the applications of those seeking benefits from the Australian government in a far more timely manner than some of the other countries do. Greece, which is one of the largest agreements struck in regard to social security arrangements, is a prime example of this. Whilst we all understand that Greece and the Greek government face particular challenges at present, we should expect that when these agreements are struck they are delivered on in a mutually agreeable manner and we do see the benefits of the sharing occurring as expected. Nonetheless, with those comments, I commend all of the treaties covered in report 123. The committee concluded that binding treaty action should be taken in all
instances regarding these treaties. I commend the report to the Senate.

Question agreed to.

DOCUMENTS
Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red. A statement of compliance is tabled in compliance with a continuing order of the Senate relating to departmental and agency files.

Details of the documents also appear at the end of today's Hansard.

BILLS

National Radioactive Waste Management Bill 2010
Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bill.

Indirect Tax Laws Amendment (Assessment) Bill 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) (16:20): I move:

That this bill 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) (16:20): I 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 read as follows—

INDIRECT TAX LAWS AMENDMENT (ASSESSMENT) BILL 2012

This Bill establishes a system of self assessment for the administration of the indirect tax laws and makes other changes to the indirect tax laws which relate to several recommendations arising from the Board of Taxation's Review of the legal framework for the administration of the GST.

Schedule 1 amends the tax law to harmonise the self actuating system for GST, the luxury car tax, the wine equalisation tax and fuel tax credits with the income tax system of self assessment. In doing so, the amendments give effect to Recommendations 19 and 21 of the Board of Taxation's review.

These amendments are consistent with the Government’s continuing focus on simplifying the tax system, and implement improvements to the tax laws that have been contemplated by governments for nearly two decades.

The amendments in Schedule 1 create an assessment system for indirect taxes such as GST, largely based on the income tax assessment provisions contained in Part IV of the Income Tax Assessment Act 1936 but written using the Tax Code conventions and drafted generically in a way that could be applied across all taxes. Established income tax self assessment principles have been directly adopted where appropriate, with some modifications to allow for the special features of indirect taxes.

The amendments not only formalise the administration of indirect tax laws, but also bring indirect taxes in line with income tax and other taxes that are already the subject of self assessment or assessment by the Commissioner. This will decrease the need for advisors and...
administrators to have specialist knowledge of unique income tax or GST administration provisions and will result in a reduction in compliance and administrative costs in the longer term.

These generic provisions will also apply to the new mining tax, resulting in a reduction in the amount of legislation that would otherwise be in the tax system. In time, it is anticipated that these assessment provisions will apply to income tax, which will enable the repeal of the current income tax assessment provisions contained in the ITAA 1936 Act.

Under the new assessment regime, indirect tax liabilities and entitlements will depend on an assessment. In most cases, lodgment of a business activity statement, or BAS, will trigger a self assessment. The Commissioner will be taken to have made an assessment, and the BAS will be treated as a notice of assessment. The taxpayer is required to pay the assessed net amount (if it is positive) and is entitled to receive a refund if the assessed net amount is negative. The amount payable or refundable is worked out in accordance with the information on the BAS.

Similar to income tax, the assessment of a taxpayer's assessable amount for a tax period or fuel tax return period gives rise to a four-year period of review in which the Commissioner may amend an assessment, and the taxpayer may apply for an amendment. There is no limit to the number of times the assessment may be amended during the period of review, and the period of review may only be extended by Federal Court order or taxpayer consent. An amendment assessment during the period of review will also give rise to an additional four year period of review in relation to the part of the assessment that was amended.

These amendments should not affect the way in which taxpayers currently lodge their returns.

The majority of amendments in this Schedule commence on 1 July 2012. The amendments in Part 2 of Schedule 1, which remove provisions which will no longer be applicable following the introduction of the new assessment regime, commence on 1 January 2017.

Schedule 2 amends the GST law and fuel tax law to legislate the Commissioner's power to make a determination allowing a taxpayer to take into account, on his or her GST or fuel tax return for the current tax period or fuel tax return period, minor errors made in working out net amounts and net fuel amounts for preceding tax periods or fuel tax return periods.

Under the current law, the Commissioner may permit taxpayers to correct, on their current return, errors made in the immediately preceding return, in certain specified circumstances. In addition to this, the Commissioner has exercised his power of general administration to permit taxpayers to correct errors made in other earlier returns on a current return. As a consequence of the amendments in Schedule 1, this exercise of the Commissioner's power of general administration will no longer be possible without a legislative basis. The amendments will ensure that the taxpayer experience does not change.

These amendments commence on 1 July 2012.

Schedule 3 confirms that amounts of luxury car tax and wine equalisation tax are part of the net amount as worked out in the GST Act. The luxury car tax and wine equalisation tax Acts already provide that payments and refunds of amounts under these Acts are to be added to or subtracted from the net amount. Both taxpayers and the Commissioner have treated these amounts as part of the net amount until now. These amendments clarify the law beyond doubt by specifically identifying the definition of 'net amount' in the GST Act.

These amendments commence on 1 July 2012.

Schedule 4 makes some minor amendments to correct anomalies, remove redundant provisions and otherwise tidy up the drafting of the tax laws. This is part of the Governments ongoing commitment to the care and maintenance of the tax system.

The Schedule 4 amendments commence on the day this Bill receives Royal Assent.

Full details of the measures in this Bill are contained in the explanatory memorandum.

Senator JACINTA COLLINS: I seek leave to continue my remarks later.
Leave granted; debate adjourned.

Corporations Legislation Amendment (Audit Enhancement) Bill 2012

First Reading

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (16:21): 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) (16:21): I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

CORPORATIONS LEGISLATION AMENDMENT (AUDIT ENHANCEMENT) BILL 2012

Today I introduce a Bill that will amend the Corporations Act 2001 and the Australian Securities and Investments Commission Act 2001 to implement a range of reforms to enhance audit quality in Australia.

In 2010, the Treasury conducted a strategic review of audit quality in Australia. The review found that Australia's audit regulation framework is robust and stable, and that no fundamental changes are required.

However, the review identified a number of areas where improvements could be made to bring Australia into line with international best practice in audit regulation. This Bill will implement a number of changes to the audit regulation framework arising from the review.

Schedule 1 amends the Corporations Act 2001. It will provide flexibility for directors of a listed company or listed registered scheme to extend the five year auditor rotation period for up to two years. Directors will only be able to extend the auditor rotation period if the extension is consistent with maintaining the quality of the audit and does not give rise to any conflict of interest situation.

This amendment allows directors to extend the auditor rotation period where the retention of knowledge and experience would be beneficial to the quality of the audit but also ensures that auditor independence and objectivity are maintained.

Schedule 1 will also introduce a requirement for audit firms to publish an annual transparency report if they conduct audits of ten or more Australian listed companies, listed registered schemes, authorised deposit-taking institutions or insurance companies.

This amendment will increase the transparency of audit firms by ensuring that factual information about firms performing significant audits is available to existing and potential clients. The disclosures to be made in the report will be prescribed in the regulations.

Schedule 2 amends the Australian Securities and Investments Commission Act 2001. It will streamline the auditor independence work of the Australian Securities and Investments Commission (ASIC) and the Financial Reporting Council (FRC) by removing the existing auditor independence function from the FRC and, in its place, giving the FRC a role of providing the Minister and the professional accounting bodies strategic policy advice and reports in relation to the quality of audits conducted by Australian auditors.

The FRC will be relieved of the requirement to prepare an annual report on the performance of its auditor independence functions. The FRC's information gathering powers will be limited to obtaining information from the professional accounting bodies.

The FRC will be relieved of the requirement to prepare an annual report on the performance of its auditor independence functions. The FRC's information gathering powers will be limited to obtaining information from the professional accounting bodies.

Schedule 2 will provide ASIC with the power to issue public audit deficiency reports on individual audit firms. ASIC will be able to issue
a report in relation to specified failures by the audit firm that it identifies during the exercise of its statutory audit functions and reasonably believes indicates a significant weakness in either the Australian auditor's quality control system or the conduct of the audit, and may be detrimental to the overall quality of the audit.

A specified failure includes a failure by the auditor to comply with the auditing standards, a failure by the auditor to comply with the auditor independence requirements in the Corporations Act, a failure by the auditor to comply with any applicable code of professional conduct, or a failure by the auditor to comply with the provisions of the Corporations Act dealing with the conduct of audits.

Auditors will be provided with an opportunity to remedy an identified audit deficiency before ASIC prepares a report. Auditors will also be able to provide comments on an audit deficiency report, which ASIC must publish with the report.

This amendment aims to improve confidence in the capital markets through increased transparency in the audit process.

Schedule 2 will also allow ASIC to communicate directly with an audited body in relation to significant matters that it identifies during the course of the exercise of ASIC's statutory functions in relation to an audit. ASIC will be required to notify the auditor at least seven days prior to disclosing information to the audited body.

This amendment will ensure that directors have access to information necessary to fulfil their obligations.

Finally, I can inform the chamber that the Ministerial Council for Corporations was consulted in relation to the amendments and has approved them as required under the Corporations Agreement.

Senator JACINTA COLLINS: I seek leave to continue my remarks later.

Leave granted.

Ordered that further consideration of the second reading of this bill be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

COMMITTEES

Education, Employment and Workplace Relations Legislation Committee

Reference

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (16:22): I move:

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

The Law Council of Australia's concerns about the government's amendment to the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2012.

The Law Council's serious concerns about the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill need to be submitted to a Senate inquiry. The draft bill, which was on the table for some years, was examined by a Senate committee previously, but in a deliberately sneaky manoeuvre designed to yet again avoid scrutiny the Greens-Labor alliance waited until the Senate inquiry into the bill had been completed before moving a far-reaching amendment to the bill. Any self-respecting senator who takes their role as a legislator seriously should be aghast at this behaviour. If they are here simply as union hacks, they will not be aghast, but if they are here because they want proper process to be undertaken then they will be aghast.

This is an amendment which the Law Council of Australia says requires reconsideration 'in light of the serious impact it will have on the role of the regulator'. The Law Council says it has serious concerns about the amendments. We as a coalition want to hear those concerns and to have a response for those championing the
concerns. This is an unprecedented and unprincipled amendment. Let us hear what the Law Council has had to say. The Law Council has said that the amendments will:

... significantly impact the ability of the independent regulator to enforce compliance with the relevant legislation in the building and construction industry.

It went on to say that the Building and Construction Commissioner:

... will be unable to either institute or continue civil penalty litigation for breaches under Commonwealth law because there has been a commercial settlement between the contravener and persons affected by the offending conduct.

Talk about buying your way out of prosecution! This is what the Greens-Labor alliance is now trying to put forward as legislation in this place, and that is why the Law Council has said:

These proposed amendments will give precedence to the interests of private litigants over the application and enforcement of Australian law.

This is something with which the Prime Minister used to agree. It was in relation to the Australian Building and Construction Commission that she said:

Anybody who breaches the law should feel the full force of the law.

She went on to say:

Each and every breach of the law is wrong and each and every breach of the law should be acted upon.

We now have this important caveat: unless you have got enough money to buy your way out of trouble. That is the precedent that the Greens-Labor amendment to this legislation will establish for the first time ever in Australian law.

The example is clear: if you run a red light and you collide with somebody, surely you have an obligation to fix their car and pay for their personal injuries if there are any, but if you pay that person it should not stop the police from charging you with running a red light. Labor now has this principle: if you have enough money to buy the silence of the other party you can escape prosecution. That is a terrible precedent to set in Australian law, and this is why the Law Council of Australia has come out in this very strong and, might I suggest, unprecedented manner. It is right to have come out so strongly. Sure, the Law Council ventures opinions from time to time—that is not unprecedented—but the strength of its response on this issue is unprecedented, and I think it shows the importance of why this matter needs to be referred to a committee.

We as a coalition believe, and believe very strongly, that this is a matter of such importance that it should be resubmitted to the Senate Education, Employment and Workplace Relations Legislation Committee for ventilation and for a degree of examination. Let us make no mistake: there have been other amendments to this legislation. When we put it before a Senate inquiry we found the unions did not support the amendment, the employers did not support the amendment and the department did not know about the amendment because it did not come up in any of their consultations—it came from the minister's office with no explanation. Now we have another amendment even more far reaching, one that undermines one of the fundamental principles on which our legal system is based—the principle that says that just because you have the money you cannot buy your way out of a prosecution. That is what this amendment will do. It will set a precedent, and that is why it is so important to have this matter examined.

This will be the clause on which large companies and large unions will be able to buy their way out of trouble. Individual workers will not have the money to buy their
way out of trouble and small contractors will not be able to buy their way out of trouble. It will be the big unions and big businesses. Once again, we have big government, courtesy of the Greens-Labor alliance, giving succour and comfort to bribery, sweetheart deals and all sorts of unseemly negotiations that give precedence to those with big bank accounts to buy themselves out of trouble. We as a coalition stand firmly against that concept. We will continue to do so, but in the meantime we believe that the concerns of the Law Council of Australia should be ventilated, and ventilated as soon as possible.

Senator MARSHALL (Victoria) (16:30): I understand that Senator Abetz and the coalition are opposed to this legislation and to the amendment. That is very clear. But I think Senator Abetz just demonstrated the real reason for this motion before us today. It is simply to give him and the coalition an opportunity to rail against the government's agenda with respect to this bill and the amendment that was made in the House of Representatives.

They have said they are going to vote against the bill. They have said they are going to vote against the amendments. That stands, and I believe them. I know they are passionate about that. Senator Abetz has been passionate about that for a long time. But what is being put before the chamber today is quite bizarre. It has been suggested that just because someone disagrees with an amendment that was made by the House of Representatives we should return the whole bill to a Senate inquiry. The Senate committee has already had two inquiries into this bill. The normal process would be that the House of Representatives would debate the bill, and once it was amended it would come here. Generally, then, it would be referred off to a committee for inquiry. And we would look at the amended bill.

But in this case the opposition got exactly what it asked for. The opposition did not wish to wait for the bill to come here before referring it off to an inquiry. The opposition referred the provisions of the bill immediately it was introduced in the House of Representatives—sent the bill off to an inquiry before it passed the House of Representatives. The coalition asked for that. They have got what they asked for, yet they now complain because someone—the Law Council—has a different view to the House of Representatives. The Law Council is entitled to do that. I have enormous respect for the Law Council. I value its opinion. But just because the Law Council disagrees with the government does not mean that we need to rush off and have a Senate inquiry. I have never recalled our doing that before.

I think this is bizarre, and that brings me back to the real reason Senator Abetz is moving this motion. It is to give him an opportunity to rail against the bill itself. That is fine. We understand the opposition's policy position on this. They disagree with the government and the Greens and the Independents in the House of
Representatives on this matter. It is their right to do so. They can do so, but this is not the question before the chamber. The question is, simply because the Law Council has been critical of that particular amendment we should refer it back to the committee.

Senator Abetz has not always had this view of the Law Council. The Law Council has been very active in providing views on this government's legislation and previous governments' legislation. We could just go, for a minute, to their view on the policy position of the former, Howard government on children in immigration detention. The Law Council said:

The Law Council calls on the Federal Government—
they are talking about the previous, Howard federal government—
to abolish the current policy of mandatory detention of asylum seekers who arrive in the country without a valid visa. The Law Council also calls on the Government to ensure that all persons seeking Australia’s protection are treated equally, in accordance with the Rule of Law, and with due respect to human rights and to Australia’s international legal obligations.

When they made that criticism of the former, Howard government's policy position did we hear, from Senator Abetz or anyone else in the Howard government, cries to send their views off to a Senate inquiry so that the Senate could consider their views on a matter of government policy of the day? No, we did not. Did we hear anyone from the opposition, at any other time during the Howard government, when the Law Council was critical of the then government policy or legislation, say: 'Hang on, the Law Council has now said they disagree with the position of the government. We should now have a Senate inquiry so that we can air their views.' No, we did not.

This is nothing but a beat-up and a bizarre attempt simply to give the opposition an avenue to criticise the government's position. The parliament is absolutely entitled to make the laws as the numbers fall, and the House of Representatives moved an amendment to a government bill. There is nothing strange or unusual about that. That is the nature of government. That is the business of government.

What then happened was that the bill came to the Senate. The Senate may amend the bill too. It is the right of the Senate to do so. And if the Senate does that and the Law Council, in a week, says, 'We're unhappy with that amendment,' should we then go and have another Senate inquiry? And what if someone else does not like the amendment that the parliament has agreed to? Should we then say, 'Let's go off and have another Senate inquiry'? Of course not. That is not the way legislation is dealt with here or in the House of Representatives.

So I cannot support—we should not support—Senator Abetz's legislation, because it does not make any sense. It is not the normal practice of the Senate. It is not the normal practice of the House of Representatives. As I said, this is just a bizarre stunt to give the opposition an opportunity to rail against the bill. It has not been put forward for any other reason. It should be rejected for that reason.

Senator BACK (Western Australia) (16:37): Madam Acting Deputy President, thank you for the opportunity to speak and support the motion of Senator Abetz to right a wrong and, I suggest, reverse what could well be a miscarriage of justice. This matter should have been the subject of scrutiny by the Education, Employment and Workplace Relations Legislation Committee at its hearing in Melbourne. It was known very well by the Labor Party and by the Greens that they were going to introduce this amendment to the parliament at the next
opportunity. I support Senator Abetz when he quite rightly says that this matter, incomplete at its last assessment and adjudication, must now go back to the same committee—not to some new process, as Senator Marshall has just indicated—to complete its own process of investigation.

We have the disgusting and regrettable circumstance in which not only the Law Council but also three state attorneys-general have raised concerns about dilution of the building and construction industry regulator's role. They have equally raised their concerns since this circumstance was raised in this chamber the other day. It is unconscionable; it is unacceptable. For those who participated in that hearing, it has been an insult. I suggest that it is an insult to the Senate, to senators and to the process of law in this country. Senator Abetz's statement earlier and his motion before the Senate is to right that wrong.

This would allow—as you would understand, Madam Acting Deputy President—a circumstance where the regulator would not be able to undertake investigations and bring charges in relation to matters that have been settled between parties outside the scrutiny of law. They would not have the powers that the police, ASIC, the Fair Work Ombudsman or any other equivalent regulator has. It would surely be a precedent in the Australian parliament and in Australian law where at least one of the parties could possibly engage in illegal activity—paying or bullying the other party to the extent that they settle prior to the time a regulator could address the issue.

Relatively recently in the state of Victoria, we had a precedent with the West Gate Bridge project. Two parties, a major employer and a union, found themselves the subject of adjudication, investigation and, I think, a $1.3 million fine as a result of those two parties doing exactly what this amendment would prevent: a circumstance where the regulator was able to investigate, enforce, fine and bring them to justice. If this amendment were passed and that same event occurred again, as happened in the West Gate Bridge project, the two parties could settle away from public scrutiny and there would be no opportunity for a regulator or an investigator to examine that event.

What are we going to find? Are we going to find a new raft of brokers whose role it is to professionally broker these deals between the parties? I asked Senator Arbib this very question. He said he was happy to take my question relating to whether the matter should go back to the very committee that investigated it, and all he could say to me was:

I am happy to take that on notice and seek the views of the minister.

So we appear to have a circumstance now where the Senate is subordinate to the other place and we rush back to the other place to seek instructions. This is its own chamber. This is the place of review. This is the place where the sorts of investigations that Senator Abetz, I and others want to pursue should be pursued, not at the behest or whim of somebody in the other place. Even more interesting, Senator Arbib then said:

We believe the new body will provide a tough cop on the beat …

If we take that to any state or federal legislative circumstance then two people could get into a dispute, one could decide that they want to buy their way out of it, they could pay or bully the other party—certainly an event that is illegal under Australian law—and the police, or whichever regulatory authority investigates it, could be told, 'No, the two parties have done a sweetheart deal and you can no longer investigate it.'
I address some of the statements expressed by Law Council President Catherine Gale. She said that the proposed amendments may give rise to many unintended consequences for the independent regulator. She said:

There is potential for significant waste of taxpayers money if the regulator is forced to discontinue litigation or an investigation …

Can't you just imagine the circumstance: two parties are in dispute; the regulator is involved; one of the parties decides it would be cheaper to buy off the other crowd, using, I would suggest, a broker or doing it directly; and they go to the regulator and say, 'Despite the time and taxpayer money that you have invested in this process, unfortunately we have arrived at a deal.' Catherine Gale went on to say that the amendments would also mean that the regulator would need to be expeditious in commencing proceedings to preserve the integrity of the prosecutorial process.

It is unprecedented that we would have the Law Council and three state attorneys-general protesting about the possible illegality of this action when it could be readily addressed by returning the matter to the committee which has the charge from this place to investigate the matter. It must go back to that committee so that it can be truly examined and then it must come back to the Senate to address the concerns expressed by the Law Council and lawmakers in the different states to give some level of satisfaction and comfort to the Australian community.

Senator WRIGHT (South Australia) (16:44): I rise to oppose Senator Abetz's motion to refer consideration of the government's amendments to the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2012 to the Education, Employment and Workplace Relations Legislation Committee for inquiry. The Greens do not support this motion because, as the opposition well knows, there has already been an opportunity for the Education, Employment and Workplace Relations Legislation Committee to inquire into this bill, including the amendment. The amendment referred to in Senator Abetz's motion passed the House on 16 February this year. The committee did not report until 29 February.

It is obvious that this is nothing more than a hollow delaying tactic. There is no principle here. The opposition has already made it quite clear that, regardless of the outcomes of any inquiry, it will oppose the bill whether it is amended or unamended. The Greens support the government's amendment, which limits the exposure of building industry participants to multiple and ongoing proceedings. The amendment is necessary and important, and it is supported by the Greens. However, the Greens do not support the motion moved by Senator Abetz, as the Education, Employment and Workplace Relations Legislation Committee has already had an opportunity to inquire into this bill, including the amendment.

Senator THISTLETHWAITE (New South Wales) (16:45): I also rise to oppose the motion moved by Senator Abetz. If the Senate were to agree to this motion, it would make the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2012 one of the most inquired-into pieces of legislation in the history of this place. I recently had a look at the number of times this legislation has been inquired into by not only the House of Representatives but also the Senate. It is quite interesting.

In 2003, when the building and construction industry improvement legislation was first proposed by the Howard government, an inquiry was established. That inquiry never went ahead, because the
legislation lapsed due to the proroguing of the parliament. But the Howard government persisted and in 2005, when the legislation was brought back before the parliament, there was another inquiry. But that was not the last of it. In 2008, there was a further inquiry into reforms in the building and construction industry regarding regulation. Not to be outdone, in 2009 there was a further inquiry into regulation and provisions relating to amendments that had been sought by the government to legislation regarding the building and construction industry. Then, in January this year, the matter was again referred to a Senate committee. Senator Marshall chaired that committee, I was a member of that committee, and many people who have spoken in the debate this afternoon were also members of that committee. We conducted a thorough investigation into the provisions and the changes that are being sought.

I must be frank and say that, when you read through the submissions that were provided to the committee—most recently in January of this year—and you look back, they are the same organisations that presented submissions in 2009, 2008 and 2005. And what do you know? The positions that they took in relation to regulation in the building and construction industry are exactly the same on each occasion. There was nothing new from any of the submitters in respect of this legislation. Let us be honest: this is controversial legislation. It is controversial because it relates to regulation of workplace relations in this country, and that was the hot election topic in 2007.

The Australian people made it clear in 2007 at the election that they wanted to rid workplaces throughout the country of the Howard regime—of Work Choices and the draconian measures that were introduced by the Howard government in the building and construction industry. They wanted fairness restored to workplaces. We did that through the process of the Fair Work Act, but we also committed, prior to that election, to undertake an investigation into the efficiency and effectiveness of the laws relating to the building and construction industry improvement legislation. We delivered on that commitment. In the wake of the election, Justice Murray Wilcox was entrusted with the process of looking at and inquiring into the effectiveness and efficiency of laws that existed in the building and construction industry. He handed down a report entitled Transition to Fair Work Australia for the building and construction industry. He made a number of recommendations, and principal among those was for the Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill to bring the conditions and regulations for the industry under the umbrella of Fair Work Australia and to bring in a new set of compliance arrangements that are fair and effective yet balanced and that take into consideration the recommendations of the Wilcox inquiry. And that is what has been done. That is what the outcome of the Senate process was, that is what the outcome of the deliberations in the House of Representatives was, and that is the outcome of the legislation that is before the Senate today.

I make the point that it is not good practice for the Senate to be reopening inquiries—particularly in the context that there have already been five inquiries into this legislation—on the basis of a media release by a particular organisation which may have a difficulty with legislation that all of us in this place admit is often quite controversial. It is not a practice that I believe this place should be beginning to instigate and, in the context of the large reform agenda that the government has and will be bringing before the Senate in upcoming weeks, it is a diversion to have
motions such as this when inquiries have well and truly been versed in the issues associated with regulation in the building and construction industry. On that basis, I strongly urge the Senate to oppose this motion.

**Senator FISHER** (South Australia) (16:52): I rise to support Senator Abetz's motion. The Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill should and must be referred again to a Senate committee for inquiry because the amendment that was made to this bill by the House of Representatives in the previous sitting week has never, ever been subject to inquiry, and not only that; it stands to create precedent not just for building industry law or workplace relations law but for every law in this country. That is evidenced by the letter from Catherine Gale, the President of the Law Council.

What is the government really thinking in agreeing to this amendment proposed by the Greens in the lower house? It is pretty interesting and pretty evident that none of the Labor senators who have spoken on either Senator Abetz's motion today or his motion last sitting week to refer this bill to a Senate committee have explained what the government is thinking with this appalling amendment—not one of them. Senator Doug Cameron has complained before about being a 'policy zombie' in this government. Well, he sure is on this point, because not even he attempted to justify this amendment. He talked about John Lloyd being a Tory and he tried to wave the spectre of Work Choices, but there was not a word from him in defence of this particular amendment. There was not a word in defence of it or even an explanation from Senator Thistlethwaite today or last sitting week when he spoke on this matter. There was not a word in defence of it from Senator Polley when she spoke last sitting week on Senator Abetz's previous motion. And there was not a word in defence of the amendment from Senator Gavin Marshall, a veteran of workplace relations stouthes and chair of the relevant committee. Labor senators do not know what the government is thinking in agreeing to this amendment, but what they do know is that they cannot defend the indefensible. And this amendment is indefensible because, in the words of the Law Council president, it gives precedence to private interests over law enforcement.

So what is it really about and what could the government be thinking? That is part of exactly what the Senate committee should be inquiring into. Is the next step to prevent ASIC from investigating or prosecuting where one or more of the perpetrators of an alleged breach of law, or a perpetrator and one or more of the victims, reach a deal? Is that the next step, or is this government's planned next step to prevent the ACCC from investigating or prosecuting where perpetrators—for example, perpetrators of an alleged collusion—are involved? Is that the next step from this government, or is this government's next step, a bit closer to home, to prevent the Fair Work Ombudsman from prosecuting where an employer reaches a deal in respect of deliberate underpayment of its workers—or is where this government going even closer, closer, closer to home? Is this government going to the heart of Fair Work Australia if, say, Fair Work Australia is investigating the activities of a particular union and officials of that union at the time?

Let us take, for example, the investigation into the Health Services Union. I wish the member for Dobell well in terms of his hospital stay at the moment. But, aside from that, let us take the investigation of Fair Work Australia into the activities of the
Health Services Union and the activities of those who were in office in the union at the time. It is very clear there has been a demonstrated go-slow from Fair Work Australia: three years and still counting, $1 million of taxpayers' money and still counting, and no result. Tim Lee, the previous general manager of Fair Work Australia, was moved sideways into a commissioner role in an ill-fated attempt to take him out of the public spotlight on this issue. Bernadette O'Neill, the new Fair Work general manager, has attempted to refuse to release information that might assist, for example, the police were they to be running any sort of inquiries on this issue. That was until Stuart Wood SC opined that were it, for example, to be the Federated Ship Painters and Doctors Union involved—

Senator Jacinta Collins: Dockers!

Senator FISHER: Sorry—the Ship Painters and Dockers Union. Mr Wood opined:
Do the general managers—of Fair Work Australia—really contend that if they discovered, during the course of their investigation, the type of criminality associated with that union—namely, drug importation, tax evasion, robbery, assault and murder—they are prevented by statute from providing such information to ... the state or federal police forces?

The trouble with what this government is thinking with this amendment in relation to the building industry is that the next step could well be to legislate to stop Fair Work Australia from investigating or prosecuting in the event that any illegal activity were suspected, and that would have the very consequences that Ms Gale has warned about in her letter to the government about this amendment to the building industry bill. She says:

There is potential for significant waste of taxpayers money if the regulator is forced to discontinue litigation or an investigation.

There goes a million bucks, and still counting, in terms of what Fair Work Australia has expended in investigating the HSU and associated activities. She goes on to say the amendment to the building industry bill:
... would also mean that the regulator would need to be expeditious—well, that is a bit of a joke—in commencing proceedings to preserve the integrity of the prosecutorial process.

Again, three years and still counting. Finally she says:
We also may have situations where undue pressure is placed on parties to settle out of court to preclude the regulator from pursuing civil remedies.

Back to the building industry. That is, of course, the most ominous signal for an industry that, prior to the establishment of the Australian Building and Construction Commission, had a reputation for thuggery and lawlessness.

Senator Abetz said that this amendment in the building industry would be licence for those with deep pockets—those with money—to buy their way out. Not only that, it will be licence for those with muscle to exert it as they have in the past and to force their way out. This is bad law. It is bad law; it is mad law. Labor senators opposite will not defend it, because they know they cannot defend it, and it is clear that they do not know what the government is thinking. The Senate committee is entitled to inquire into the bill and that particular amendment in some effort to ascertain what the government is thinking.

Senator ABETZ. (Tasmania—Leader of the Opposition in the Senate) (17:00): In summing up this debate, can I simply make
the point that this is not any simple inquiry that we are asking for as a coalition? This is an issue of fundamental principle of how the law operates in this country. It will set a precedent if the Labor-Greens amendment gets carried.

The Law Council of Australia has expressed 'serious concerns' about this. Three attorneys-general have come out expressing concern about the precedent that this will set. Just to restate the case, the precedent would be that if you have enough money to buy yourself out of trouble you can escape prosecution. Ms Gillard promised the Australian people that in dismantling the Australian Building and Construction Commission she would maintain 'a tough cop on the beat'. That was allegedly the way it was going to be, all the way through the Senate inquiry and all the way through when the bill was introduced into the House of Representatives. Then in a very sneaky last-minute manoeuvre in the House of Representatives, after the Senate had finished its inquiry into the bill, Labor moved this amendment. It is an amendment which would emasculate the regulator.

In introducing this motion I indicated the Law Council's concerns. They are there for all to see and read. It is interesting that nobody in this debate was actually able to join issue with the concerns on the issue of principle. Sure, we got all the sophistry that we expect from those opposite but we did not get an engagement on the fundamental issue. And the fundamental issue is that just because you have money does not mean you should be able to buy yourself out of a prosecution—a very fundamental principle on which our system of law is based.

The example I used in introducing this motion was that if one runs a red light and has a collision with another car, then just because you are able to pay that other car driver off that should not stop the police from charging you with driving through a red light. Most Australian people would accept that and that that is the proper way to go about things. Now, under the industrial law of this country we are going to have a situation where if a big company or a big union breaches the law and is then able to pay somebody off so that they can say, 'Mr Regulator, the issue is settled,' they can escape prosecution. Take the tip: no individual worker will have that sort of money and no small contractor will have that sort of money. The only people who will have that sort of money will be the big companies and the big unions. And who is championing the cause yet again of the big unions and the big companies in this place? It is the Greens-Labor alliance. Yet again they have forgotten the small people in Australia: the individual workers and the smaller contractors and subcontractors in the building and construction sector.

All they are interested in is the sweetheart deal, the payoff and the funny money. As a coalition we agree with three state attorneys-general. We agree with the Law Council of Australia that that sets a dangerous precedent. Indeed, I would go further and say that it sets a rotten precedent.

In its original form this bill was before this place for a number of years. We did not hear any reason or rationale from those opposite during this debate as to why this last-minute amendment snuck through after the Senate had finished its inquiry and why this all of a sudden became so urgent. We were not told who initiated this amendment. We do know from the previous Senate inquiry into the bill that there were certain provisions in the bill that the unions did not want and that the employers did not want, and that the department had no explanation as to why it was in the bill other than that the minister determined that it should be in the
bill. We now know that, clearly, the Labor ministers for workplace relations will make up their own minds in relation to how the law of this country should be developed.

Can I tell you that that is all fine? They are elected to make those decisions, but why are they running away from scrutiny? That is what the issue here this evening is. Why is it that the Greens-Labor alliance do not want this last-minute amendment—this important amendment—scrutinised? I know why, because it is unprecedented and unprincipled. The Greens and Labor senators could not sit before a Senate committee and look the Law Council of Australia in the eye and try to argue that this is a good precedent. They could not look the three state Attorneys-General in the eye and say: ‘This is highly principled law making. This is good for the rule of law in our country that people should be able to buy their way out of trouble.’ The Greens senators know that. The Labor senators know that. They, in all conscience, cannot look the Law Council of Australia or, indeed, the people of Australia in the eye and say that this would be good law.

We are confronted with a situation yet again this evening where the Greens-Labor alliance majority in this place will ensure there is not a Senate inquiry into an important matter of principle. This follows on from their voting earlier today to guillotine 16 bills through the Senate in indecent haste, which follows on from the 19 bills late last year that they guillotined through this place in indecent haste and then cut three days of sitting from the parliamentary timetable. Let no Australian be under the misapprehension that the Greens-Labor alliance in this place is allowing for proper scrutiny of legislation. They are in fact doing the exact opposite. They are ruthlessly using their numbers to ensure that controversial issues are not even vented in Senate committees and that bills are properly debated.

I trust that my prophecy in this regard is wrong and that this motion will not be lost. I fear it will be; nevertheless, the coalition will be putting it to a vote because this is such an important matter of principle that we want to ensure that Australians, especially the Greens, remember that we have taken a very strong and principled stand in supporting the forms of this place so that proper scrutiny of legislation can take place.

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

The Senate divided. [17:14]
(The President—Senator Hogg)

Ayes ...................... 30
Noes ...................... 35
Majority ............... 5

AYES
Abetz, E
Bernardi, C
Boyce, SK
Cash, MC
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Macdonald, ID
McKenzie, B
Parry, S
Ronaldson, M
Scullion, NG
Williams, JR

NOES
Bishop, TM
Brown, RJ
Carr, RJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ladlam, S

Back, CJ
Birmingham, SJ
Bushby, DC (teller)
Colbeck, R
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Humphries, G
Joyce, B
Mason, B
Nash, F
Payne, MA
Ryan, SM
Sinodinos, A
Xenophon, N

Brown, CL
Cameron, DN
Collins, IMA
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Senator BERNARDI (South Australia) (17:19): It is a pleasure to continue my contribution to this important debate on behalf of all Australians. Before I was interrupted earlier, I was talking about the reliance of the government on the figures put forward and I was questioning how the Australian people can rely in any way, shape or form on the figures provided by the government when we know that historically the information they have provided in relation to a number of other policies has simply been untrue. They have gilded the lily—I think that is the kindest way it can be described without drawing further inferences on the character of those who make the assumptions. So I would suggest to the Australian people and to the Senate that they should rely more on the private industry figures and the concerns of private industry, because they are the people who are at the coalface and whose livelihoods are going to be directly affected.

An analysis by Deloitte, an independent group, shows that in the first year 175,000 people could be expected to withdraw from private hospital cover and a further 583,000 people could be expected to downgrade their cover. Over five years, it is expected that 1.6 million people will drop their cover. That is the equivalent of the entire population of my home state of South Australia; 4.3 million people are expected to downgrade their cover over the next five years, and that is close to the entire population of Queensland. The government owned insurer, Medibank Private, has forecast that 47,000 of their members alone will drop their cover and 92,500 of them will downgrade. This is considerably more than the 27,000 the minister has claimed will drop their cover.
throughout the entire sector. So let's not pretend that we can rely on the figures that this government has put forward. We have had similar figures put forward and advanced in any number of policy areas and we know that the government has always come up short; they continue to say what they want to say rather than detail the facts that are on the table. We also know that the contributions by the government senators in this debate have largely centred around Mr Abbott. It says to me that the government is so lacking in confidence in their own policy agenda that they seem reduced to attacking the Leader of the Opposition, who is without doubt the most effective leader of an opposition that we have seen in this country for a very, very long time, if at all.

In summary, the impact of these changes to private health insurance will not just be felt by those on higher incomes, who the Labor Party seem intent on beating up on all the time and who will suffer up to a 43 per cent increase in their premiums; it will be felt by all Australians with private health insurance and those who do not have private health insurance and rely on the public hospital sector. We know that private health insurance premiums are going to rise. We know that the burden on public health care will increase as more people withdraw. We know that Australians will all pay for Labor's ideological bent with longer waiting lists and higher costs. There will be $3.8 billion in additional recurrent costs for the public hospital system, and it is expected that the cost of dealing with the increased demand in public hospitals will outweigh the savings to government from the means testing of the rebate. As I mentioned earlier, $1 in savings is going to result in an expected $2 in additional costs for the public hospital system.

This is not economics. This is not rational; it is an irrational money grab by the government for a short-term benefit but it is also undermining the integrity, scalability and affordability of not only private health insurance but health care generally in this country. This is not considered economic management from the government and it is clear once again that the Labor Party is blinded by its misguided ideology, which is committed to class warfare, increasing the divide between Australians and discouraging Australians from not being reliant on the government. The change will have an impact on other services in the health field, with 2.8 million people with general treatment cover expected to withdraw and 5.7 million to downgrade over five years. The blind ideology of this government is damaging all Australians, our infrastructure, our general wellbeing and our welfare. I will be voting against the bill.

**Senator THISTLETHWAITE** (New South Wales) (17:25): One of the greatest challenges facing our nation at the moment is the ageing population. One of the issues that we face is the ever increasing health budget associated with the ageing of the population. That is why these bills are so important. They shall restore sustainability to our health system. They shall ensure that our health system remains effective and efficient in the treatment of patients in both the public and private systems.

I want to dispel one of the illusions of those opposite. Make no mistake: this government remains committed to supporting people taking out private health insurance in this country. In fact, the number of Australians taking out private cover continues to grow, and there are 10 million people with private health insurance in Australia at the moment, the highest number of people since 1982. These bills are about creating the right balance in the provision of health services in our country. The government's support of a mixed model
means that our health system can remain sustainable into the future and making these changes will allow the system to restore and rebalance their overall welfare and allow a fairer distribution of benefits.

The vast majority of taxpayers who have the benefit of private health insurance will see no change to their premiums. This is a far cry from the doomsday rhetoric coming from the opposition. The package will see single people earning $84,000 or less and couples or families earning $168,000 or less receive the same rebate that they get now. Those opposite know that the system is currently unsustainable and unfair to those on lower incomes. If this unsustainability is allowed to continue, this rebate will begin to swallow up larger and larger proportions of the Medicare levy each year.

Single people who earn more than $84,000 get almost 28 per cent of total funds available under the private health insurance rebate scheme; at the same time, people earning this much make up just 14 per cent of those eligible from the rebate. Couples earning more than $168,000 get almost 21 per cent of total funds available under the private health insurance rebate scheme but, at the same time, those people earning this much make up just 12 per cent of those eligible for the rebate. We have a situation where around 26 per cent of people eligible for the private health rebate get almost 49 per cent of the total funding available under the scheme—a perfect way to highlight the unfairness and instability of this scheme. This is a scheme and a system that was implemented by the Howard government. That government gave Australia a system that benefits wealthier people at the expense of people that are less well off in our community. It is the view of this government, the Gillard government, that that situation is unsustainable.

These reforms are about redressing this imbalance and ensuring that our health system does not crumble under the weight of a scheme not designed with equity in mind, and this government has a plan to address that inequity. Under these bills, the 14 per cent of single taxpayers earning more than $84,000 a year who have private health insurance will get around 12 per cent of the total funds available under the private health insurance rebate scheme. Under these bills, the 12 per cent of couples earning more than $168,000 a year who have private health insurance will get around 12 per cent of the funds available under the rebate scheme.

That is around a quarter of the people eligible to access the system getting around a quarter of the funds available. Clearly, it is a much fairer and more equitable distribution of the funds under the scheme. It also means that our health system is placed back on a sustainable path for the future.

The government's legislation is importantly supported, wholeheartedly, by the Australian Healthcare and Hospitals Association. The AHHA is an independent peak body, an advocate for the Australian healthcare system and a national voice for universally accessible high-quality health care. The AHHA says that means-testing the rebate will result in a fairer use of public health funding and will not impose an additional burden on public hospitals. The AHHA is correct to say that this, and Treasury modelling shows us that 99.7 per cent of people with private health insurance will keep their policy under these measures.

When talking about maintaining private health insurance in this country and promoting a change in behaviour to ensure that more people take out private health insurance, it is the additional Medicare levy which has been the most effective public policy tool in promoting and encouraging
people into private health insurance, not the health rebate implemented under the Howard government. Under the current system the private health insurance rebate is expanding at a rapid rate. The projections tells us that if it is unchecked it will double over the next 40 years as a proportion of health expenditure.

The government's proposed changes contained in the bills will result in savings of $2.4 billion over the forward estimates. These bills were before the parliament in June 2009 and March 2010. On both occasions they were opposed by those opposite and defeated. The cost to the budget is already in the line of $890 million. It is now time for those opposite to recognise the damage that they are doing, particularly given that they claim to be fiscal conservatives interested in reducing debt and wastage and ensuring that our budget outlays, particularly in health, are not unsustainable and unfair. Those opposite must recognise that a fairer and more equitable private health rebate system is in our national interest and in the interest of long-term viability of a sustainable health system. The time has come to stop playing politics with our health system. Opposition for opposition's sake means that over the next 40 years the cumulative impact on the health budget will be almost $100 billion. With a budget black hole of $70 billion it is hard to see why those opposite would be opposed to this measure.

The bills will introduce a three-tier private health insurance incentive scheme. The first tier will apply to singles earning more than $84,000 per year and couples earning more than $168,000 per year. People in this bracket will receive a rebate of 20 per cent. Between the ages of 65 and 69 the rebate increases to 25 per cent and after the age of 70 the rebate increases to 30 per cent. There is no change in the Medicare surcharge for people in this bracket. Under the second tier of this scheme, applying to singles earning more than $97,000 per year and couples earning more than $194,000 per year, people in this bracket will receive a rebate of 10 per cent. Between the ages of 65 and 69 the rebate increases to 15 per cent and after the age of 70 the rebate increases again to 20 per cent. For those in this bracket, the Medicare surcharge will increase to 1.25 per cent of income. The third tier will apply to singles earning more than $130,000 per year and couples earning more than $260,000 per year. This third tier will receive no rebate. Taxpayers in this income bracket who do not hold private health insurance will pay a 1.5 per cent Medicare surcharge. It is this surcharge that has been effective as a public policy measure, in ensuring an increase in people moving to private health insurance.

All of these brackets will be indexed to the average weekly earnings. These bills ensure that the balance is kept in our healthcare system—particularly important given the ageing of our population. These bills represent a careful and well-thought-out approach to the mix of private and public health care in this country. They end the waste in our healthcare budget. They restore sustainability, something that is clearly lacking in the design of the system under the Howard government. It is for those reasons that these bills must pass the Senate. They must pass because they are vital to our health system and they are vital to our national interest and the long-term sustainability of the greatest area in our budget, our health budget. I commend these bills to the Senate.

Senator CASH (Western Australia) (17:35): I rise to speak on the Fairer Private Health Insurance Incentives Bill 2012 and related bills. Anybody watching these proceedings today may well be experiencing a sense of deja vu. Why do I say that? The reason is that the changes proposed by this bill have
already been rejected twice by this parliament since the government tried to implement them following the 2009 budget. Despite the fact that they have twice been rejected by this parliament, we find ourselves in this situation again today. The difference is that this time the bills, as Senator Thistlethwaite said, will go through the Senate. Why will they go through? It is because of nothing more and nothing less than a grubby little deal that the government had with the Australian Greens in order to sit on that side of the chamber.

There is nothing fair about these bills. When you look at the title of the bills you may find it slightly ironic. If you were not properly versed in the politics of envy you might think that you were going to get something from the government under these bills, looking at their titles. You might think you would be receiving an increase in your private health insurance rebate. But nothing could be further from the truth because, despite the titles of these bills, this is what this government does best: it deliberately misleads the Australian taxpayer. Why do I say that? Let us look at the history of what the now government said about the bills that we are currently debating in this chamber.

The promise that the Labor Party made to the people of Australia prior to the 2007 election was this: if elected to govern, a Labor government would not change the private health insurance rebate regime for the 11 million Australians who take responsibility for their own health care needs by taking out private health insurance and thereby relieving pressure on the public health care system in this country. That was in 2007; it would not change. That was Labor's promise to the people of Australia.

Now let us consider the promise that was made by the Labor Party and the actual reality of what we are doing here today. The bills that we are discussing today do exactly the opposite of what the Labor Party promised they would do when they made their announcement to the people of Australia in relation to these bills. These bills do nothing more and nothing less than represent yet another in a long line of betrayals by the former Labor government and the current Labor government in relation to policy positions they had prior to an election and policy positions they suddenly adopted when they were elected to government.

The former Prime Minister Mr Rudd—who was also the Minister for Foreign Affairs and who is now merely the member for Griffith—and the former Minister for Health and Ageing Nicola Roxon promised repeatedly that they would not alter the health insurance rebates. Ms Roxon, when shadow minister for health and ageing, confirmed that the then Labor opposition commitment was that they would not increase the private health insurance rebate. Those of us on this side of the chamber questioned the sincerity of that statement, but so adamant was Ms Roxon in this promise that she said:

Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians … The Liberals … try to scare people into thinking Labor will take away the rebates.

This is absolutely untrue. But it did not stop there. On 20 November 2007 in a letter to the AHIA the now former Prime Minister stated:

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.
Federal Labor will also maintain Lifetime Health Cover and the Medicare Levy Surcharge.

The promises actually continued. In May 2008 on Macquarie radio then Health Minister Roxon said:

… we continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who chose to take out private health insurance.

The promises continued. In October 2008, in a speech to the Australian Health Insurance Association conference, Ms Roxon said:

Private health insurance consumers will still be able to claim the 30 and 40 per cent rebate and the lifetime health cover incentives will remain in place.

There is a pattern of behaviour forming here. The Labor Party made their promises to the Australian people very clear: if elected to govern, they would not change the private health insurance rebate regime. That is the pattern of behaviour. Those are the continual promises that were made by the Labor Party in the lead-up to not one but two elections.

The promises went on. On 24 February 2009 in the Age newspaper Health Minister Roxon said again, 'The government is firmly committed to retaining the existing private health insurance rebates.' But I have to say that that promise is not nearly as good as the promise given by the current Prime Minister in writing in a letter to the Weekend Australian on 15 October 2005, when the now Prime Minister 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 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.

That could not be further from the truth if Ms Gillard tried. Ms Gillard's version of an ironclad guarantee must be very different to what the Australian people understand an ironclad guarantee to be. It clearly is very similar to the, 'If elected, we will not impose a carbon tax under the government I lead,' statement 24 hours before an election—and then, once elected, suddenly the imposition of a carbon tax is Labor Party policy.

This government, just like the former Labor government, have proved time and time again that, based on the promises that they make to the Australian people prior to an election and based on the policies that they impose on the Australian people once they are elected, they are not fit to govern. The very fact that we debating these bills which have already been rejected twice by the parliament goes straight to the Labor Party's hatred of private health insurance and to its politics of envy. These bills have nothing to do with reforming the private health insurance system. We all know that. But, in typical Labor style, they have everything to do with raising revenue to fix the massive black hole that the Labor government has created through its reckless spending. Quite frankly, these bills should not be listed as health bills but as appropriation bills, because Labor's fiscal incompetence means that it needs to rip money from the pockets of hardworking Australians yet again to fund its reckless spending.

What is worse is that the Labor government has admitted that it is not going to put any of the money it rips out of the private health system back into the public system. You would at least expect that if it was going to rip money out of the private system it might actually put it into the public system. Minister Plibersek had the opportunity to confirm this when she was interviewed by Steve Price on 15 February
Ms Plibersek refused to commit to Labor putting any of this money back into the public health system. Ms Plibersek also refused to rule out Labor's making any more changes to the public or private health sectors, saying the Gillard government 'have no plans at the moment to make any further changes ...'. Clearly, the key words in that statement were 'at the moment'. If Australians were unable to believe an ironclad guarantee from the Prime Minister that the private health insurance rebate would not be touched, Minister Plibersek's statement that Labor has no plans at the moment to make any further changes to the public or private health system should be seen for exactly what it is: absolutely worthless.

Putting aside the fact that these bills represent nothing more and nothing less than a blatant broken promise to the Australian people, among the huge issues we on this side have with these bills is that they are fundamentally flawed and will have a detrimental impact for young people. The bills have nothing to do with saving money. They have everything to do with the ideology of those on the government side who are determined to hit hard-working Australians who actually pay out of their own pockets to look after their own health needs. These bills are all about the Labor government's ideological push to target the so-called rich. The reality is, as it always has been, that Labor hates private health insurance. God forbid that you should actually put a bit of money away, take a bit of responsibility and ease the pressure on the public health system. If you do that the Labor government will slap you around and tell you that is not good enough. But this is where the Labor government has got it very wrong. The problem for the Labor Party is that, in targeting the so-called rich—and these people are far from rich: a doctor's salary and a nurse's salary combined is not rich, but it is under the definition of this legislation—the damage these bills will cause is going to be much more widespread and is going to hit those people who cannot afford to take out private health insurance. That is a great policy aim.

Whatever money the government tells the people of Australia it is trying to save by implementing these reforms, the actual effect of the legislation when it goes through will be that the consumer, the Australian people, will end up paying, either in longer public hospital waiting lists or in increased private health premiums. That is the fundamental flaw of this legislation. It is not the coalition saying that about this legislation; it is the experts who do this daily and who have done this day in, day out for decade after decade. They say that people will drop out of private health insurance because they cannot afford the higher health premiums. According to the conservative estimate provided by the government owned insurer Medibank Private, if this legislation goes through, 37,000 people will drop their cover and 92,500 will downgrade their cover. Again, this is not the coalition, these are Medibank Private's own figures. If you do not believe Medibank Private you might believe the independent analysis undertaken by Deloitte, which predicts that 175,000 people would be expected to withdraw from private health cover in the first year alone, with a further 583,000 people expected to downgrade their cover. Over five years that figure would increase to 1.6 million Australians who, as of today, hold private health insurance and who would drop that cover and another 4.3 million who would downgrade. That would lead to $3.8 billion in additional recurrent costs for the public health system as a result of this fundamentally flawed legislation. There are Australians who want to continue doing the right thing because they want to take responsibility for their own health. It is not
because they are rich; in fact, they are far from it. They say: ‘If I have a little bit of extra money I won't spend it on a holiday, I won't spend it on frivolous things. I will actually insure my family and my children through the private health system.’ But what will the Labor government deliver to you? Because of this legislation, premiums will increase by 14, 29 or 43 per cent depending on your income bracket. So much for helping the battler! That is a direct slap in the face to those Australians who, because they can, stand up and take responsibility for their own health needs.

For those people who are not as fortunate, who cannot afford to take out private health insurance and who rely on those who can to actually do so, the bad news is this: hospital waiting lists will increase. So if you thought it was bad in the public system now, believe you me, you have not seen anything yet—because if 1.6 million Australians are expected to drop their private healthcare cover over the next five years then they can only go to one other place, and that is the public hospital system. For those people who currently have no other access but through the public hospital system, guess what? The waiting list is going to get longer the minute this legislation goes through. Anyone who has ever queued at an emergency department will know that that is not funny, it is actually very serious. The bad news is that, if this legislation goes through, those queues at emergency departments will just get longer. Anyone who has had to wait in an emergency department with a sick parent, a sick partner or a sick child will know that emergency waiting times are already unacceptably high. Well, they are going to get a lot higher as soon as this legislation goes through.

In terms of statistics—and this is not the coalition speaking; this is the experts who have looked at this legislation and analysed it—the government's decision to means test private health insurance will mean that an estimated 845,000 new procedures will be forced onto the public hospital system, yet again putting further pressure on waiting lists.

This is an ideological war that the Labor Party has been pursuing for decades against people with private health insurance. The Liberal Party will not be supporting this legislation. We have never supported legislation of this type and, unlike the Greens and Labor, our position will not change.

**Senator CAROL BROWN** (Tasmania—Deputy Government Whip in the Senate) (17:55): I rise to speak on this package of important bills for fairer private health insurance incentives. The government understands that our good health is our best asset. Being able to keep in good health and providing for those instances where we are in need of treatment is an important way to ensure quality of life for all Australians. It is important that we understand this and act in the best interests of Australia to ensure fair and equitable outcomes for everyone. We are committed to making our health system stronger and ensuring we give the best possible health care to Australians whenever they need it and wherever they live.

The Gillard government has always been very dedicated to giving people support to take out private health insurance, especially those on low incomes. We are committed to providing affordable private health insurance through the private health insurance rebate. The Fairer Private Health Insurance Incentives Bill will amend various acts to give effect to a budget measure to introduce three new private health insurance incentive tiers. This will have the effect of improving the lives of working people and ensuring greater fairness for people right across Australia.
The number of Australians taking out private hospital cover just keeps growing. In fact, new figures that were issued recently by the Private Health Insurance Administration Council demonstrate that more Australians are covered by private hospital insurance now than at any other stage in the past 36 years. In addition to this, about one million people have taken out new hospital cover since the government took office, which has raised the participation rate to 45.7 per cent. The Private Health Insurance Administration Council also found that, in the December 2011 quarter, the private health insurance industry reported a record profit of $461 million before tax, and profit before tax for the year to December 2011 was $1.27 billion.

The government’s Intergenerational report 2011 highlighted that the private health insurance rebate is one of the fastest-growing parts of health expenditure. This is one of the reasons why we are putting forward changes to the rebate so we can make sure it will be sustainable as we move into the future.

These proposed modifications mean that the government is rebalancing the group of policies that support private health insurance. This will mean that those who can afford to pay for their own private health insurance will do so. Higher-income earners will get a reduced rebate and, as income increases, the rebate will drop progressively. In effect, the tiered system will be introduced for those people who earn higher incomes. It will set three different rebate levels and surcharge levels which will be centred on income and age. This has been described as reducing the carrot and increasing the stick to make sure that those who can afford to contribute more for their health insurance will do.

The government is committed to keeping the balance between public and private health systems so people who are high-income earners will get less government assistance for their private health insurance but will receive a rise in costs if they withdraw from their health cover. This is further evidence that we are committed to a sustainable private health system—and, to make sure that it stays this way, we want to rebalance the support for private health insurance so it provides a fairer distribution of benefits. I would like to take this opportunity to remind the chamber that 76 per cent of those people who have private health insurance and are on low or middle incomes will not see any changes to their current rebate entitlement. Low- and middle-income earners will not be affected by these reforms. In fact, nine out of 10 Australians will not be affected by these changes at all. To break it down, single people earning less than $83,000 a year and couples or families on less than $166,000 a year will not be affected at all by the changes—contrary to what those opposite would lead you to believe. The taxpayer funded subsidy decreases as incomes increase, but only single earners in excess of $129,000 a year and families earning $258,000 or more in the next financial year will lose the rebate entirely.

We are proposing these reforms because, as a government, we firmly believe that low- and middle-income earners should not continue to subsidise the private health insurance of higher income earners through their taxes. Another positive aspect of these changes is that they will mean $2.4 billion in estimated savings to the government over the next three years and $100 billion over the next 40 years. This means that our support for private health insurance will stay fair and sustainable for the future. I keep mentioning that these changes are about being fair and sustainable, because that is central to the changes that we are making. For this rebate
to continue to be sustainable these reforms must go through.

I would also like to remind the chamber that the means test will not result in large numbers of people leaving private health insurance or higher than usual premium increases. We know this because Treasury has estimated that 99.7 per cent of people with hospital cover will keep their insurance, with only around 27,000 people to drop out of private hospital cover. It is also unlikely that there would be any change to the cost of hospital or general treatment policies. The changes to the Medicare levy surcharge will encourage higher income earners to keep their private health insurance.

These figures are backed up by the Health care and insurance—Australia 2009 report, which found that even fewer people would drop out of private hospital insurance than estimated by the government. This report states that 99 per cent of privately insured high-income earners would stay in their private hospital cover after means testing if health insurers informed them of the other measures that would impact on them if they opted out such as lifetime health cover and the Medicare levy surcharge. This is about 16,000 people. The report also found that 26 per cent would consider downgrading their private hospital cover to a lower or cheaper level of cover.

The other two bills that form part of this package are the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill. The Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill will amend the Medicare Levy Act 1986 to change the budget measure to enact three new private health insurance incentive tiers. The Medicare Levy Act 1986 sets out whether a person has to pay the Medicare levy surcharge in respect of their taxable income or that of their spouse. The person's income for surcharge purposes decides whether they must pay the surcharge, and if their income is above the prescribed income thresholds they will need to pay the appropriate level of surcharge. This bill will insert the new tiered system that will determine which level of surcharge must be paid where they do not have appropriate private health insurance.

The Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill will amend the A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act to give effect to the budget measure to introduce the three new private health incentive tiers. This bill will make the private health rebate fairer by introducing the private health insurance incentives tiers. The A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act determines whether someone has to pay the Medicare levy surcharge in respect of a reportable fringe benefits total they or their spouse may have. The person's income for the purposes of the surcharge governs whether a person must pay the surcharge. If they earn above the prescribed income thresholds they will need to pay the applicable level of surcharge. This bill will insert the new tier system so as to decide which level of surcharge must be paid where they do not have appropriate private health insurance.

These bills also ensure that the government will commit to spending $165 million over three years, funded by an increase in the Medicare levy surcharge for higher-income earners, contained in the legislation, on public dental services. We are committed to improving Australia's dental system and making sure it is aimed at those Australians who are least able to afford oral health care without some form of assistance.
This is another way that we are helping Australians with their dental and medical visits. As these proposed changes demonstrate, this government is strongly committed to ensuring that lower- and middle-income Australians are better off and are treated more fairly by the health system.

I would like to finish by restating the most important changes this package of legislation will enact. These reforms will provide a more just and fair distribution of benefits to Australians and will see those people on lower incomes who require the most help will receive the largest benefits. I commend these bills to the Senate.

Senator BIRMINGHAM (South Australia) (18:06): I come to this debate with a fairly firm belief. It is a belief that private investment in activities like health care is something that should be encouraged. It is a belief that the systems that we support out of this place—that are society, that are government, that are laws—should encourage people to invest privately where they can in things like their health care and the education of their children. That of course is not to say that government should not have safety nets in place. We absolutely should—and, as a country, we should be proud of the types of safety nets we have in these areas. Medicare provides an outstanding safety net in terms of health care for Australians. Could it be better? Do we wish that we could provide even better health care for all Australians? Of course. It is, indeed, an area of never-ending demand, but we should be proud that we provide that. We should be proud that our education sector is a great education system. Could it be better? Absolutely. Does it need areas of revival? You bet. Does it, perhaps, even need a real revolution rather than a bricks and mortar revolution? I would argue that it does. Nonetheless, we have a great situation when it comes to the types of safety nets we provide. We should continue to do that, we should fight to preserve them and we should fight to make them better all the time. But we should not do those things at the expense of private investment in people's health or education.

I now come to this legislation, the so-called Fairer Private Health Insurance Incentives Bill 2012, with the concern that this legislation undermines the principle that people should be encouraged to invest in their own health care. People who can afford to do so should have support, encouragement and incentives from government to invest in supporting their health insurance and their health care. Why is that important? Why does private investment help in this regard? Because the more people who can afford to invest in their health care do so out of their own pocket, the more there is left for government to spend on making those safety nets better. That is the fundamental point, or it should be the fundamental point, of this debate. The more we get Australians to dig into their pockets where they can afford to do so, take out private health insurance and take some responsibility for their health care, the more there is left in the general revenue bucket of taxation for the Commonwealth to support state governments, the public health system and public hospitals and to provide the best possible level of safety net for those who cannot afford to take out private health insurance. Regrettably this legislation fails that test.

This legislation will see fewer Australians invest in private health insurance. It will see fewer Australians take responsibility for their own private health care. It will see less money spent by Australians on private health insurance and less money spent by Australians in the health sector. What does it mean when Australians spend less of their own money in the health sector? It means that governments will be left to spend more
or that resources and services within the health sector will be stretched even further. They will be the end results. We will see governments having to prop up the public health system with more money, to raise taxes in other ways, to increase revenue from taxpayers in other ways and to fund public hospitals, the Medicare system and the public health system because there is an increase in demand—or, as my colleague Senator Cash said before, we will simply see an erosion of the services available in the public health system and we will see longer waiting lists, greater delays and more people suffering as a result.

These are the principles on which I oppose this legislation. These are the principles on which I opposed the legislation that went before this so-called Fairer Private Health Insurance Incentives Bill, legislation that this government brought before us previously to try to rip away the incentives for private health insurance and, in doing so, to destroy that incentive, that mechanism, through which Australians invest by looking after themselves and putting more money into the health system.

It is not just the principle of what is good public policy that makes me oppose this legislation, it is the continuing betrayal of the Australian people by this government. Senator Cash and others have highlighted this, and I also highlighted it in my previous contributions when the Senate rejected the predecessors to this bill. It is a betrayal because it is the opposite of what the Labor Party said they would do when they went to the people as an opposition seeking election to government. Many times over, different representatives of the Labor Party stood before the Australian people, hands on hearts, and said, 'We won't be stripping away the incentives for private health insurance.' It is quite reminiscent of other promises, the most famous of all being Ms Gillard's promise that there would be no carbon tax under a government she leads.

It is, as my colleague Senator Williams and I were discussing, a matter and a question of trust. It is the trust that Australians should be able to have in their politicians. We all know in this place that perhaps that trust is at too low a level in the public mind. We should all question why that is the case. You do not need to look terribly far when you see politicians—and in this case Labor politicians time and time again—staring down the barrel of the camera during election campaigns, saying one thing, promising one thing and then doing completely the opposite after the election.

Let us have a look at what some of Labor's leadership team, Labor's spokespeople, said before they came into government about the private health insurance rebate and their approach to it. Let us have a look at what the now Prime Minister, then shadow minister for health, Ms Gillard said in a letter to the editor in the Hobart Mercury on 2 September 2004:

I grow tired of saying this: Labor is committed to the 30 per cent private health insurance rebate. Ms Gillard was growing tired of saying it. She took the voluntary step, on her own volition, of writing a letter to the editor of the Hobart Mercury to say that she grew tired of saying how committed Labor was to the 30 per cent private health insurance rebate. It is a shame that that commitment did not last when they went into government. It is a shame that that commitment was only about winning votes from opposition. Ms Roxon, now the Attorney-General and previously the health spokesperson and, of course, the health minister who introduced this legislation trying to dismantle the private health insurance rebate, in a media release on 26 September 2007, which we will assume she authored or approved of—and, like a
letter to the editor, this was hardly a format in which she was verballed or taken out of context in any way—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, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

'On many occasions for many months', she said, so of course it was not just a one-off media release by Ms Roxon, trying to reassure voters running up to the 2007 election. No, it was on many occasions for many months that she and the rest of the Labor Party team made this solemn promise—over and over and time and again—that they were committed to the private health insurance rebate, a commitment that was actually only valid whilst they were in opposition.

Mr Rudd, by then the Prime Minister—so, indeed, the alleged commitment remained into the early years of government—said at a press conference on 25 February 2008:

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

That must have been one of the most pithy, short and succinct quotes that Mr Rudd ever gave. His time as Prime Minister was renowned for convoluted language and long, hard-to-decipher and incomprehensible words that he would throw in to mask whatever his true intent was. But on this occasion there was no doubting his true intent. The true intent of the then Labor Prime Minister was that the private health insurance rebate would remain unchanged. He was, of course, just saying what they had said in opposition.

On 24 February 2009—by then 18 months into government—Ms Roxon said to the Age newspaper:

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

So firmly committed were they to retaining the existing private health insurance rebates that the commitment could not even last for the rest of 2009. They could not even last the year out before the commitment evaporated and then we saw the government attempting to unwind the existing private health insurance rebates. We have seen them try it several times throughout this parliament, and thankfully this chamber, the Senate, has stood in the government's way. It has stopped the government from breaking its promise—a promise that would see an undermining of private health insurance and private investment into health care in this country and, as a result of that, a higher cost for the public health sector and for taxpayers in this country.

The Senate has blocked this legislation before. I know, as I stand here and reflect on the contributions of other senators, that the chances of it doing so again look somewhat slim. But I implore my colleagues to reconsider their positions on this bill. I implore those opposite—the government and their governing partners, the Greens—to reconsider where they stand on this legislation and to think about whether they should in fact honour the words of Ms Roxon, of Mr Rudd, of Ms Gillard and of many other Labor spokespeople who promised, time and time again, not to do exactly what it is that they are asking this Senate to approve of them doing today.

Of course, we know that Labor desperately need to prop up their budget. With all of the waste, all of the mismanagement and all of the billions of dollars of debt that no doubt we will see in the not too distant future, the government will come back to this chamber and say, 'Oh, you know that increased $250 billion debt ceiling we got the parliament to approve
recently? Well, that is not enough. We're going to need more. I am sure we will see that bill and will have that debate in this place during the course of this year. With such massive debt piled up during the reign of the Rudd and Gillard governments, it is obvious they are desperate to clutch dollars from wherever they can get them. In this case, they are of course targeting those who seek to make that investment in private health insurance.

So who are the types of people who invest in private health insurance? Are they all the rich silvertails that we get the impression of? Indeed, the new health minister, Ms Plibersek, stands there at the dispatch box in the House of Representatives and talks about the Parliament House cleaner subsidising the health insurance of the health minister or other members of this place. Is that the situation we have? Well, no; patently, it is not. The statistics indicate that there are 5.6 million Australians who have private health insurance who have annual household incomes of less than $50,000 and 3.4 million who are on an income of less than $35,000. So many people struggle to be able to afford their health care, to be able to make that investment.

I know what those opposite will say in response to that. They will say, 'These are not the people targeted by these changes. Because there is means-testing, these people will still get the rebate.' But that ignores, as this government so often does, the fundamentals of how something like the private health insurance market works. Something like the private health insurance market, and any insurance market in general, relies upon having the broadest possible coverage, relies upon having the greatest number of people and, in particular, relies upon having the greatest number of healthy people in it to underwrite the finances of the system.

What we see, and what all of the evidence points to as a result of this legislation, is that fewer people will have private health insurance going forward. More Australians will look at the fact that the government is stripping away the incentive for them to take out private health insurance and decide that it is just not worth continuing to pay it. They will not make that investment themselves anymore, and that means fewer dollars going into the overall pool of the private health insurance fund. It means fewer people there, and the result of that will be that we will see higher premiums in the future. The Deloitte report that looked at this estimated that in the first year alone 175,000 Australians will withdraw from private hospital cover and 583,000 will downgrade their cover. It estimated that over the next five years 1.6 million Australians will withdraw their private hospital cover should these changes be implemented and 4.3 million Australians will downgrade their cover. It is important to remember and reflect on both of those statistics: those who totally opt out and those who downgrade. In either event they are reducing the extent of private investment into their health care and the size of that private insurance pool and, as a result, the private health insurance industry will need to put their premiums up. In fact, the same Deloitte report predicted that we would see a 10 per cent rise in premiums above what would otherwise have been expected as a result of this legislation. It becomes this vicious spiral where the higher costs mean that more people drop out, and the more people drop out the higher the costs. That is the spiral—a death spiral of sorts—that this government will plunge the private health insurance industry into as a result of their changes.

What will that mean? What are the flow-on effects of that for the public system? The Deloitte report found that another 845,000
admissions to public hospitals will be required over the next five years. To put that in dollar terms, so far as it can be estimated, there will be an additional $3.8 billion in recurrent costs for the public hospital system as a result of these types of changes. These are massive costs that no government in this country is currently well placed to meet. State and federal governments alike are all grappling with deficit budgets and significant debts with only one or two exceptions to that. So we have a situation where either the debt and deficit will go up, the rate of tax will have to go up or, of course, the service delivery will be reduced and more people will be left to languish on the waiting lists.

Some people listening will have thought the numbers of people involved in the insurance industry who do make that personal investment of their own accord are quite remarkable, and they are remarkable. In South Australia, in the electorate of Hindmarsh, 69 per cent of voters were estimated to have private health insurance when I last spoke on this matter. That is more than 89,000 Hindmarsh inhabitants covered, or 68,000 voters covered by private health insurance. These people will be the ones who suffer, as they will in every electorate right across the country. Members like Mr Georganas and others should answer why they think the government deserve to break the promises made on countless occasions to keep this and why it is that they are hell-bent on destroying private investment in the health insurance industry rather than encouraging people to add to the pool and to grow the size of money available for the health care of all Australians into the future.

Senator SINGH (Tasmania) (18:26): I rise to speak to the Fairer Private Health Insurance Incentives Bill 2012 and related bills, a package introduced by the Gillard Labor Government. At the core of Australia's progressive income tax system, supported broadly by both major parties over a long period of time, is the basic observation that some in our community do not have the earning power of others and that taxing those people at the highest rate would be unjust. It is based on the observation that those who reap the prosperity of a strong and stable economy should give back to the society that has created the conditions for their success. It is also based on the understanding that those who earn more are able to satisfy their fundamental needs and have the opportunity to use their additional income to make choices about their lifestyle and their priorities. These choices are less often available to those on lower incomes, where a higher proportion of money earned goes on the basics and the essentials.

In this country we have a robust public health system. All Australians are entitled to primary health care and to hospital cover through the Pharmaceutical Benefits Scheme and our universal Medicare system. Labor has always been committed to the universality of healthcare because we have always been committed to equal access to the fundamental determinants of a quality of life. But Labor's approach to public policy—and the approach reflected profoundly in the Australian character—is one of fairness. That so many people should have the opportunity to use their prosperity to expand their life choices is something about which Australian society should be proud and Labor certainly is. But it is the goal of our party to extend those choices and that freedom to all Australians. The options available to the few should never be at the expense of the rest of society.

Throughout the tenure of the Howard government, that is exactly what happened. The coalition pursued an agenda that was not about good, sound public policy and economic management. Instead the coalition
dedicated itself to strengthening its support amongst higher income Australians, establishing a number of vast spending programmes that directed money not where it was needed but instead where it was politically advantageous for them. While there are a number of examples of this policy—from youth services to tax cuts to education—there is no clearer example than the subject of today's bills: the private health insurance rebate.

This scheme was ostensibly designed to encourage Australians into private health insurance and take the pressure off the public system—a euphemism constantly employed by the coalition for ripping money out of basic health services. This scheme, in its universality, was based on the notion that the private health insurance market, in and of itself, does not provide adequate incentives for Australians to subscribe to it, quite contrary to the market fundamentalism usually espoused by the coalition.

Under the Howard scheme, approximately 14 per cent of single taxpayers who have incomes above $80,000 per year received about 28 per cent of the total private health insurance rebate paid to singles based on an average premium. Approximately 12 per cent of couple taxpayers who have incomes above $160,000 per year receive about 21 per cent of the total private health insurance rebate paid to couples based on an average premium. These figures represent a significant overrepresentation in expenditure towards these population groups—the population groups that are far less likely to require a rebate in order to have access to private health insurance. In fact, were their rebate levels to be reduced in the manner proposed by these bills, it is predicted that 99.7 per cent of private health insurance policyholders would choose to retain their cover.

This means that Australian taxpayers on low and middle incomes are subsidising Australians on very high incomes on the basis that those on higher incomes deserve an incentive to opt for private health. It is incomprehensible to me that fairness could mean that those who work in aged and community care or as cleaners or childcare workers should subsidise the very well off. Ignoring the fact that this rebate could not achieve its function of providing a genuine expansion of choice or incentive into the private health system, the Howard government chose to introduce this policy which has now become the fastest growing area of health expenditure. This is typical of the fiscal management of the coalition which has always chosen to redirect precious public money to an area of political, rather than social, gain at the expense of the broader health system.

The bills before the chamber right now represent an effort by this Labor government not only to build fairness back into the system of private health insurance incentive system but also to restore fiscal and budgetary responsibility into the management of our health system. In the 2009-10 budget, the government announced that it would introduce means testing for the private health insurance rebate and increase the Medicare levy surcharge for people on higher incomes who do not hold private hospital cover. Means testing for the rebate will be implemented over a number of private health insurance incentive tiers. The tiers will establish four income categories, the first of which—singles earning $84,000 a year or less and families earning $168,000 a year or less—will continue to receive the full rebate. These are the people who do not necessarily have access to the suite of options for discretionary spending, like private health cover. These are the people who will benefit from some assistance—
assistance that just might determine whether they are able to access private health.

Despite nine out of 10 Australians not being affected by these changes, these reforms will result in savings to the public balance sheet of more than $2.4 billion over three years, which will be reinvested by this Labor government into services that all Australians need. As the Minister for Health said when she spoke on these bills in another place, it is next to impossible to find another item from the health budget like this one which can be cut without an appreciable effect on the services that Australian taxpayers enjoy. There could hardly be a clearer indication that the scheme was poor public policy to begin with. Only 10 per cent of Australians will be affected by this change and, contrary to the opposition’s assertions, only 0.3 per cent of Australians are predicted to alter their cover as a result.

The coalition asserts that, as a result of changes in the private health insurance rebate, premiums will rise, putting pressure on lower-income policyholders. Of course, it does not take an economist to notice that premiums for private health insurance—indeed, the cost of health care generally—go up each year. When the Leader of the Opposition was the Minister for Health and Ageing, rises in private health insurance premiums were as high as seven per cent per year. Premium rises are averaging around five per cent a year now, thanks in part to the strong and stable private health sector which this government has fostered. But the point is that the Labor government supports industry and the health sector with fairness and, in order to make access to private health both fair and responsible public policy, serious reform of this type is needed.

Where the coalition designed policy for the wealthy minority, the Labor Party will always dedicate itself to designing fair policy for a strong society, the settings for an economy in which all people have the chance to succeed. While I have no doubt that the private health insurance rebate is appreciated by those who received it under the Howard government, it is not and should not be the priority of government spending when those in genuine need of assistance still struggle. There is a clear correlation between household earnings, socioeconomic status and health outcome.

In my home state of Tasmania, we are fortunate to enjoy a unique quality of life. Sadly, many do not have the health to enjoy it. In fact, health inequality is one of the biggest challenges now facing Tasmania, the state with the second highest burden of disease and injury of all states and territories. The average Tasmanian adult working full time earns less than $1,200 per week, making the average income less than $70,000 per year. The high levels of cardiovascular disease, cancer, diabetes, asthma, lung disease, kidney disease, arthritis and depression that Tasmanians experience disproportionately affect those with lower incomes. These are the people who need government assistance. These are the people whom welfare must be directed, those in genuine need of the compassion which binds together Australian society. These are the people for whom Labor is dedicated to directing its support, those who do not have the freedom about which this opposition mouths platitudes but denies in practice.

This bill is not about undermining the private health insurance sector, a sector that has grown by 960,000 more Australians holding policies than when this government took office and a sector that continues to grow. It is about recognising that if we are genuine about providing health solutions to people then we must direct government funding to the areas in which there is
genuine need. It is about recognising that if we are to provide choice and fairness we must make sure that where government subsidies are used to encourage participation they are a true and useful incentive. And most of all these bills are about recognising that good public policy must reflect the character of this nation and be imbued with the sense of fairness that is at the core of being an Australian.

Senator EGGLESTON (Western Australia) (18:37): I have to say, by way of an opening, that plans to means-test the 30 per cent private health insurance rebate threaten to strangle Australia's health system, will directly affect an estimated 2.4 million health fund members and will mean a return to overcrowding and long waiting lists in public hospitals.

Unlike many other countries, we are fortunate in Australia to have a very effective health system which, by and large, is available to all, often at no cost through the Medicare system. The teenager injured on the football field, the young mother enduring a difficult birth, the middle-aged man with a heart attack and the elderly woman suffering a stroke know that help is never very far away, be it in the emergency room of a hospital, via the Medicare phone helpline or whatever. Those who suffer will rest a little easier knowing that their tax dollars are being well spent in catching them when they fall.

Sadly, however, the Gillard government continues to hack away at Australia's healthcare system, which once set the standard for other first world countries around the globe. In recent months we have seen the government muscle in on the recommendations of the independent Pharmaceutical Benefits Advisory Committee on the listing of PBS medicines. Similarly, funding for medical services like joint injections and cataract surgery were slashed last year while access was reduced for psychological services and GP involvement in psychiatric management, meaning less-effective service for those people who are in such need of it and who cannot wait the long time it sometimes takes to see a psychiatrist. Dr Gillard's latest health legislation, the fairer private health insurance incentives bills, continues the theme of downgrading our health services.

As I said at the beginning, plans to means-test the 30 per cent private health insurance rebate threaten to strangle Australia's health system, will directly affect an estimated 2.4 million health fund members and will mean a return to overcrowding and long waiting lists in public hospitals. It is ironic that this rebate was first introduced to deal with the very problem of overcrowding in public hospitals. Means-testing private health insurance will make the scheme unavoidable for many people, and those who until now have saved the extra dollars each week to take up private health cover in the advent of the worst are about to have their good night's sleep taken away from them. They will feel the insecurity of not knowing whether or not they can get quick treatment for any medical problems from which they may suffer.

Having worked in the medical profession for over 30 years, I recognise the need for adequate private health insurance incentives schemes, especially for low-income earners. As I have said here before, people in most countries think their health scheme is the worst in the world because they have heard anecdotal stories about someone's grandmother not being treated immediately in a public hospital, or someone's child taking a long time to be seen in a casualty department, but the Australian health system is widely recognised as the best of the so-called worst schemes in the world. It is the envy of the world because our private health sector is a vital complement to the public
health system. Our system is a balance between private and public medicine and, as such, it means that Australians are treated quickly and at a very high standard.

Private hospitals treat 40 per cent of all patients in Australia, with some 3.5 million people being treated privately in 2009-10. Private hospitals perform the majority of elective surgery in Australia—around 64 per cent of it—with 10.2 million Australians holding private health insurance cover. The simple fact is that the public system does not have the capacity to deal with the demand for its services. Unfortunately, this measure will exacerbate that situation, and will mean a return to long waiting lists and delays in treatment that will see people abandon their private health cover and seek treatment in the public sector.

As it stands, the government's proposal has twice been rejected by the parliament. It was introduced in the last parliament, despite explicit promises at the 2007 election by the then Minister for Health and Ageing, Nicola Roxon, who said:

Federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates.

The then Prime Minister, Kevin Rudd, also weighed in, saying in November 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.

Sadly, the number of Australians able to afford private health cover will decrease dramatically if this proposal comes into law, and the number of people in private health insurance schemes will fall almost as dramatically as the Prime Minister's polling numbers, and that is really saying something.

Our private health system relies on community rating to maintain its services, and people are not penalised as a result of their prior health history. Now there is to be means-testing of the scheme younger Australians may not need to access the health system, leaving those who really do need to access it able to claim from the pool of money which the broader membership contributes to the private health insurance schemes. However, with more and more people being pushed back into the public sector, Australia's public health system is set to become overcrowded. The private sector is set to become far more expensive, and the infrastructure which it represents will be underutilised, as it was in the past.

The coalition, while in government, introduced private health insurance rebates because of falling membership of private health insurance funds and great overcrowding in the public hospital system. Once the rebate had been introduced, membership of the private health insurance funds went up by 10 per cent, from 34 per cent to 44 per cent of the population. This, I am afraid, will be reversed when this new system is introduced, if it is. Deloitte predicts that some 175,000 people in the first year alone will abandon private health cover. A further 583,000 people would be expected to downgrade their policy to a lower level of cover, putting their health and the health of their families at risk. The Deloitte study estimates that in just five years 1.6 million people will say no to private cover and 4.3 million will move to a lower level of cover.

Where will they go? Obviously they will go to the public hospital system. And the public hospital system is already overcrowded and bursting at the seams. It simply cannot support greater numbers. This is a disaster in the making. Labor is wrong to imply that private health insurance is for the rich. There are 5.6 million people with
private health insurance who have annual incomes of less than $50,000 a year and 3.4 million who have an annual household income of less than $35,000.

In a blatant attempt to pass the buck, the Commonwealth will force the states to incur an extra $3.8 billion for health services as these increased numbers of people come to the public sector. That is typical of the approach of the Gillard government. The coalition, by contrast, believes all Australians should have access to affordable health care and real choice in managing their healthcare needs. For this reason we oppose this legislation. We think it is going to be a disaster for the Australian public as people will find themselves on surgery waiting lists which will have more names, perhaps, than the list of Labor's prime-ministerial aspirants! The Australian public will be facing long delays before treatment is available to them.

The Australian taxpayer cannot afford to have this strain placed on the public hospital system simply because the government cannot manage the country's wallet. This will be a complete disaster, and this legislation, if it is enacted, will represent a very black day for the Australian health system.

Senator CROSSIN (Northern Territory) (18:48): I rise to support the government's changes to the private health insurance rebate system, which will inevitably make things fairer for everyone. Ordinary hard-working Australians have been subsidising the health insurance premiums of some of the wealthiest people in the country. This is not sensible policy and it is not fair. That is why the Gillard Labor government is proposing the Fairer Private Health Insurance Incentives Bill 2012, which will put an end to government financial assistance for high-income earners purchasing private health insurance. People who work hard, earn substantial incomes and pay their fair share of taxes are entitled to spend their money as they see fit. But this government believes that people who work just as hard but earn much less should not be expected to subsidise them.

These new arrangements will only begin to affect singles who earn more than $84,000 annually or families earning in excess of $168,000. The 10 per cent of highest income earners in our community will see progressive reductions in the size of their rebates as their incomes increase beyond this level. Only singles earning more than $130,000—that is one person living alone and earning more than $130,000—or families earning more than a quarter of a million dollars a year will lose their eligibility for any rebate. These changes will enable the government to make sure that every health dollar is spent in the best possible way. And within the health portfolio we are determined that every dollar is spent in the most effective way. So we will do away with this perk for the wealthy and invest in the new treatments, new medicines, and new technologies which will enable Australians to live happier, healthier lives.

The shrill cry from opposition members, as we have just heard, that the sky is falling—that people will abandon private health insurance in significant numbers—simply does not stand up to rigorous assessment. The federal Treasury has carefully examined the matter and has reported that less than one half of one per cent of Australians will give up their private health insurance as a result of these changes. In 2008, the government increased the Medicare levy surcharge threshold and insurers predicted that 913,000 people would drop their private health insurance cover. The reality was that the number of people with private health insurance cover continued to increase and, as at September
2011, 10.4 million Australians had hospital cover.
This is the highest number since the introduction of Medicare. So the Henny Pennies sitting on the benches opposite me can relax. The sky is not falling. The future for hard-working Australians, though, looks positive with this major reform that the government is introducing.

In the Northern Territory, we are on the brink of an economic boom the likes of which we have never seen before. The $34 billion INPEX gas development is just the most high-profile of a number of new investment initiatives in the Territory which will underpin a period of unparalleled economic prosperity. As Territorians prepare to roll up their sleeves and make this country even greater, they will applaud the actions of the government as we remove inequity in the health insurance arrangements which prevent ordinary Australians from getting a full return on their efforts.

That is why it is so concerning to hear that my fellow Territorian the Country Liberal Party member for the Darwin-based seat of Solomon is objecting to this progressive legislation. These amendments will make life just a little bit easier for the thousands of low- and middle-income earners who live within her electorate, in the cities of Darwin and Palmerston, yet the member for Solomon will not support these changes. It seems unfortunate that, as she is busy managing more than 10 properties that she owns in joint ownership, the member for Solomon cannot possibly understand the circumstances of the many thousands of people in her electorate who are simply working to pay off their first house. Rather than empathise with these families for whom home ownership is but a distant dream or those who struggle to pay the rent from one month to the next, just like all of those opposite me the member for Solomon wants these people to subsidise her very own private health insurance.

It is no crime to own at least 11 houses, but the question that hangs in the air is whether a real estate tycoon is the right person to represent the interests of battling Territorians in the national parliament. A woman with two young children who earns $36,000 a year as a certificate III qualified childcare worker in Palmerston needs this 30 per cent rebate to afford private health insurance, but she certainly cannot afford to continue to subsidise the private health insurance payments of those earning four or five times her salary, such as the member for Solomon. Those with large real estate portfolios have benefited from this inequitable situation, whereas the ordinary Australians who pay rent on those houses and may not themselves be able to afford private health insurance subsidise the private health insurance of the people who own the house that they rent. The majority of households in the electorate of Solomon do not have private health arrangements, and most who do will not be affected in any way by these changes.

Australians are not fools and a sense of a fair go is deeply ingrained within our psyche. That is why the Australian Labor Party wants to amend this legislation. We want to end the perverse twist on the Robin Hood ideal, where money is currently being taken from the poor and given to the rich. Nine out of 10 Australians will not be affected by these changes at all. There will be no discernible pressure on the public health system and no significant impact on Territory household budgets. In the Northern Territory, if you need accident and emergency treatment, there is only the public hospital to go to. In the Northern Territory, if you have a child that is chronically sick, there is only the public hospital to go to as that is where the
paediatric ward is. Despite that, people in the Northern Territory still try to take out private health insurance. They simply now want a fair go in order to continue to afford that insurance policy.

That is why the member for Solomon has to decide if she wants to represent only the interests of the one in 10 people in her electorate who are very well off, including herself, or whether she will show some regard for the much larger number of Territorians who work hard just to make ends meet. Will she acknowledge those who are unemployed, those who have a disability, those who do not speak English as a first language or those who, for a range of reasons, sometimes find life to be a struggle? I am asking her to take this opportunity to support this legislation which will remove just a little bit of the burden from the shoulders of those Territorians who are finding the going tough. Mahatma Gandhi once observed:

A nation's greatness is measured by how it treats its weakest members.

So why would you continue to defend a system in which the poorest in society are subsidising the wealthiest members in society when it comes to private health insurance? This situation is simply and utterly unfair.

The Australian Labor Party makes no apology for our fundamental belief that ordinary working Australians are entitled to their fair share of our nation's bounty. That is why we have invested so heavily in improving our schools to skill up young Australians for work in the new economy; that is why we are building the long-awaited National Disability Insurance Scheme, so that people with a disability can get the support they need; and that is why we are amending this legislation to ensure that the poorest Australians who want private health insurance will no longer be asked to subsidise the wealthy, who can well and truly afford to pay for their own private health insurance. It is not the Labor way and it is not the Australian way.

The Labor Party is a party of sound economic management. It is indisputable that Labor steered this country through the global financial crisis in better shape than any other comparable economy in this world. We will continue to apply the principles of sound economic management to make this country stronger and fairer, particularly in the health system, for all Australians. That is why I am supporting this range of legislation. I am of course disappointed that the ‘no-alition’, the party on the other side of this chamber, who want to do everything except support our reforms and continually say no to everything we put up, will not back off and put their hands up for legislation that is fairer, that is just and that will provide for a better health system in this country.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (18:59): I rise to speak on the Fairer Private Health Insurance Incentives Bill 2012 and related bills. I ask: what is this bill doing in the Senate? I will tell you why it is here. Let us go back to the untruths spoken on 20 November 2007. Federal Labor leader Kevin Rudd wrote to the Australian Health Insurance Association and said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor — that is you lot over there — 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.

I am right that that lot over there are federal Labor, aren't they? That is what the then Leader of the Opposition, the politically slain Prime Minister, Mr Kevin Rudd, had to say
on 20 November 2007. Two months earlier, in a media statement, shadow minister Roxon said:

The Liberals continue to try to scare people into thinking Labor will take away the rebates.

This is absolutely untrue.

My colleague Senator Birmingham spoke an hour or so ago. We were chatting at the side of the chamber and we were saying that people have lost trust in the government. The Australian people do not trust you. They do not trust you because you said before the 2007 election, 'There will be no new taxes. We're not going on a taxing spree.' Along came the luxury car tax, the alcopops tax and the flood tax. We have got the mining tax coming; the carbon tax has been through. They are a government of taxation, because they have blown the dough. They are broke. They have sent us into $232 billion of gross debt as of last Friday.

Here we have another broken commitment by federal Labor—that lot over there, the Australian Labor Party. I must clarify that, because we do have a representative in this Senate from the Democratic Labor Party, and that has a totally different attitude from the Australian Labor Party. I ask the question again: what is this bill doing here? Let's check out the member for Lyne, Mr Oakeshott, who supported this bill in the other place, in the House of Representatives.

Senator Feeney: A man of vision.

Senator WILLIAMS: 'A man of vision.' I would say a man of betrayal to his electorate, Senator Feeney, who was complicit in the carbon tax and complicit with the Prime Minister, Ms Gillard, who said there would be no carbon tax. Mr Oakeshott was complicit, along with Mr Windsor, in betraying the Australian people with that broken promise. I go back to my point: the Australian people do not trust you, and why should they, when you are doing backflip after backflip with your money mismanagement and your waste and your new taxes, crippling the private sector? That is what you are about. Let us have a look at what Mr Oakeshott did. Mr Oakeshott is prepared to walk away from the people of Lyne on this, just as he did on the carbon tax and the independent youth allowance, where the people in Lyne, New England and those inner regions suffered until my colleague Senator Nash fought the fight of millions to finally bring the government around to having some sort of conscience for those people from regional areas who want to go to university. I will quote from the Port Macquarie News of 11 February. Under the headline 'Nurses make their feelings known' it says:

Dozens of nurses from Port Macquarie and Coffs Harbour rallied outside Rob Oakeshott's electoral office this morning, in an attempt to sway the MP away from voting for means testing the private health insurance rebate.

Perhaps unsurprisingly, Mr Oakeshott's Clarence St office was empty.

Here is another one, from the Port Macquarie Independent, headed, 'Oakeshott's health decision slammed'. It says: 'Ramsay Health Care chief executive Christopher Rex has hit back at Rob Oakeshott's decision to support means testing of the private health insurance rebate, saying that, in his view, the legislation represented poor policy and could have an impact in rural and regional areas like Port Macquarie. According to Mr Rex, Mr Oakeshott never visited the Port Macquarie Private Hospital.' That is not surprising. I will repeat that: 'According to Mr Rex, Mr Oakeshott never visited the Port Macquarie Private Hospital.' That is not surprising. I will repeat that: 'According to Mr Rex, Mr Oakeshott never visited the Port Macquarie Private Hospital to hear the concerns of doctors but relied on one line out of a release in August 2011 as the key justification for his decision.' This is amazing. That is what this legislation is doing here in the Senate.
and that is why it is in front of us: Rob Oakeshott sided with his Labor colleagues—as he did after the August 2012 election and gave the government the numbers to pass it through the House of Representatives.

Here is my concern: people will leave the private health system. They will leave in droves and downgrade their level of insurance because they simply cannot afford it. It will be the Aussie battlers, those working families that Labor once used to stick up for about a hundred years ago and have not since. They are the ones who will downgrade their level of insurance. Some will leave. There is no doubt that some will leave. Let us have a look at what will happen then. As they leave, the insurance companies will be forced to raise their premiums. Then more will leave and, as they leave, they will simply put more pressure on our public health system—our public hospital system run by the states. I asked a question in this place a couple of years ago about the Greater Western Area Health Service in western New South Wales. The butchers had cut off supplying meat to Gilgandra and Coonamble hospitals. Why? Because they had not been paid. That was the state of New South Wales Health—under, of course, a Labor government. When a small business has to cut off supplying meat to a country hospital, then you have a serious problem. And what are you going to do with this legislation? You are going to dump more onto that same hospital system that is already under enormous stress. That is the problem we face.

The system used to be very good. I remember when I left school and the first year I was working, in 1973. At that time everyone took out private health insurance. It used to cost me about $100 a year—quite a bit of money in those days but affordable. Along came Prime Minister Whitlam and Medibank—he went, of course, but not soon enough—and then I was paying $400 a year, so I dropped out of private health insurance. I lived in a country town and I thought I would take a punt and drop out of it. It was only 3½ or four years ago that I rejoined private health insurance. I had pulled out because I simply could not afford it as the price of insurance went up and up and up. And that is the problem we face—that when more people pull out there is more stress on our public health system. You only have to go to a place such as Ashford, which I visited a couple of weeks ago, to see this. The community health centre there is run by Hunter New England Health, who do their best under pretty tough circumstances and budget restrictions. Every time it rains the roof leaks severely and the water runs down the walls. The building needs a new roof and it needs to be painted inside. The staff there just get on with doing their job, and they do a wonderful job. But the problems they face are the sorts of problems we have in the public health system simply due to the lack of funds.

Perhaps we should just let the states raise their royalties on minerals, giving them some more money to carry out their duties in their health systems, but the government want to go after those as well. We know why. It is because they are broke; it is as simple as that. They have committed to a budget this May that will go into surplus next financial year. Let us go back and look back what happened with the current budget. Two years ago, they budgeted for a deficit of $12 billion for the current financial year. In the May budget last year that was budgeted at $22 billion. Now we find that the budget for this financial year is going to be $37 billion in the red. We have gone from an estimated $12 billion two years ago to $37 billion. So what this measure is about is transferring the cost from the federal budget bottom line to the states. This is a financial saving, as they see
it, for the federal budget bottom line, but when people pull out of private health insurance, and they will, this will just put more costs on the states. That is what this is about: transferring actual costs from the federal budget to the states.

Let us look at specialist services. Visiting specialists attend regional private hospitals, and thank goodness they do. Any tinkering with the rebate that causes a cutback in demand in regional private hospitals will flow directly to specialists, who will retreat back to the cities. We need the surgery to be carried out so that those surgeons can make some money in their profession, but if they do not do that in regional areas then they will go back to the cities where they can be flat out all the time in the bigger populations. This is a problem, 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 treatments.

It is too simplistic to assume that not enough people in regional areas would be affected by the proposed means test thresholds, of $80,000 for singles and $160,000 for couples, to warrant concern. Once the insurance pool shrinks, when people leave insurance and so the number paying the premiums shrinks, premiums go up. Research last year by Deloitte's shows that 1.6 million people in the government's targeted annual income range will dump their private hospital cover, with another 4.3 million downgrading their cover. I will repeat those figures. Deloitte's are saying 1.6 million people will dump their private hospital cover and—this is scary—another 4.3 million people will downgrade their cover.

Senator McLucas: That's different to Treasury.

Senator WILLIAMS: Treasury! You listen to Treasury, Senator McLucas, when you wish to, but at other times you will not. We could take you down the carbon tax road—but we will not go there. This removal of the incentive is simply another tax by this big-spending government. It is in a different way, but it is more money into the Treasury coffers as Treasurer Swan tries to get the budget into the black after making a colossal mess of our finances. You couldn't believe it! We have a Future Fund of $73 billion that the coalition put aside when it was in government, thank goodness, and it is lucky that has not been raided, but we have now gone to a gross debt of $232 billion, and the interest bill alone on that is going to be huge. So here is an attempt by the government to help get their budget figures back in the black that is going to cause enormous

Senator Edwards: They are very credible.

Senator WILLIAMS: Exactly, Senator Edwards. I take your interjection: they are a very credible company. They are saying that 1.6 million people in the government's targeted income range will dump their private hospital cover and—this is scary—another 4.3 million people will downgrade their cover.
damage to our health system. It is as simple as that. Already in the country areas we have nurses who are overworked, working double shifts, and I can take you to the country hospitals and introduce you to the nurses. We have doctors working hard—

Senator McLucas: What about in the private hospitals?

Senator Williams: No, these are public hospitals as well.

Senator McLucas interjecting—

Senator Williams: Senator McLucas, I will take your interjection. In the town of 12,000 people that I live in we do not have a private hospital. We have a public hospital, and you are going to overload it with more costs and put more work on those doctors and nurses because people are just going to withdraw from private health insurance. Do you not pay any attention to Deloitte's figures there? You think they are just porky pies, do you?

This is a problem that we have in regional areas. Already we have been left behind by many services in the health system. Thanks go to the great nurses who work so hard and the doctors. I can go down to my local doctors surgery and talk to the doctors there, as I always do when I go for my annual check up—I have a chat about how things are going. They not only look after their doctors surgery, they look after the hospital and the aged care facility. Then they get called out on weekends and on emergency. That is the public health system, and what are you doing? You are going to put more work on them as people leave the private health system.

They will not travel to the private hospitals. They will pull out and you are going to put more work on them. As I said, you are just simply shifting the cost from the federal budget onto the state budget and onto an already overstressed public health system through every state in Australia. This is what you are about.

The fact is that you have blown the money—you have wasted the money—and now there is your political promise of returning the budget back to surplus in May. I would say that you might be able to bring out the figures with a little bit in the black this May, but you wait until September 2012 and the actual realisation of that financial year. It will not be in the black, it will be in the red for sure. Labor parties do not understand what black print means on the bottom line of a budget.

I can take you back to the history of the late eighties and early nineties in South Australia, Victoria, Western Australia and Tasmania, where they all went broke under the Australian Labor Party's financial management. At the same time, the so-called 'world's greatest treasurer', Mr Paul Keating, was sending our nation broke at a federal level. Now we have it all over again. What about 13 years of the Hawke-Keating government? There were four budget surpluses, I think. We have never seen one in this one, so we are talking about over 17 years of Labor governments with four budget surpluses. That has happened all my life: give them the cheque book and they will empty the bank account, and more—then just run up the debt. And who has to clean up the financial mess? Every time when the coalition gets elected they have to clean up the financial mess.

Look at Queensland! For those people listening on radio now, here we have an election in Queensland. Under their figures Queensland will owe $85 billion by 2015. At a guess, the population of Queensland is 4½ million people, so 4½ million people will owe $85 billion—'b' for billion. When the Howard government was elected we had $96 billion worth of debt spread amongst about
19 million people—at a guess. Queensland has $85 billion of debt for 4½ million people to service that debt. They are broke. That is why their credit rating has been downgraded, that is why they are paying high interest rates and that is why they are selling off their rail system—because they are broke. And who has been managing their finances? The Australian Labor Party. And that is why on 24 March I hope that they get their just deserts. I am sure they will, because anyone who sends your state broke deserves to be thrown into political history for years and years.

That is exactly what is going to happen, because the Queenslanders realise what sort of a financial mess their state is in.

Senator Mclucas interjecting—

Senator WILLIAMS: Senator Mclucas, you are well aware of it too: $85 billion worth of debt is something you should be absolutely ashamed of. It is where your party has taken it. It is just sending the state broke, the great state that was built for decades under balanced budgets, and they never borrowed money. They established their electricity right out to the western country, and the bitumen roads and the tourist industry. They did everything to establish the industries and never borrowed money. If only you could ever learn, but you will never learn. So long as I breathe breath it will be the same old story: give Labor the cheque book and down the tube you go. Nothing changes.

That is what this is about. You will drive people out of private health insurance and you are going back on your word. Mr Rudd made the commitment and Ms Roxon made the commitment to the Australian people never to touch this, and what are you doing? As I said, the Australian people do not trust you because with everything you say the next thing is that you are back flipping and doing a reverse—going back on your word like on so many issues. That is why the people have lost trust in you, lost faith in you and simply do not believe what this government says. You will take people out of the private health insurance industry, you will up the premiums of that smaller net which is left behind and then more will leave as that compounds—the domino effect—and it will all just fall back on our public health system, that is already overburdened, overworked and underfunded. That is what you will do, as sure as I speak now.

ADJOURNMENT

The PRESIDENT (19:19): Order! It being almost 7.20 pm, I propose the question:

That the Senate do now adjourn.

Lymphoedema Awareness Month

Senator MOORE (Queensland) (19:20): This month of March is Lymphoedema Awareness Month. It aims to raise awareness of the early signs and symptoms of lymphoedema amongst high-risk groups, including cancer survivors and generally amongst our community.

I was one of the lucky ones. When I was actually going through some cancer treatment I was told about lymphoedema, but in that time of pain and concern you do not really take in the message. When the doctors were able to tell me that my cancer did not go into the lymph glands I was relieved but I did not truly understand what that difference was. Certainly, I got the message that it was a good thing, and everyone said it was a good thing; but it was only when I talked to other women who were at the same hospital as I was that I could understand really what the difference was. Certainly, I got the message that it was a good thing, and everyone said it was a good thing; but it was only when I talked to other women who were at the same hospital as I was that I could understand really what the difference was between me and those people who would actually go through the pain, stress and concern of lymphoedema.
Lymphoedema is a common side-effect of cancer related surgery and radiation therapy and affects thousands of cancer patients every year. It is a long-term condition; up to 66 per cent of prostate cancer survivors and one in five survivors of breast cancer, gynaecological cancer or melanomas contract lymphoedema. It can affect people of all ages: men and women, teenagers and children. It is debilitating, it is heartbreaking and it has a profound effect on your life and also on your family. It is absolutely crucial that we have preventative education and particularly early recognition of lymphoedema in our community so that we can work together to ensure we can beat this awful condition. Despite the severity of lymphoedema and its frequency, there are not really exact figures about how many people are suffering through this process in Australia. We know that there are some estimates that say as many as 300,000 people may have some form of lymphoedema. That means that when you look at that large number, there will be someone in your community or your family who will be working through this process and you may or may not know.

Lymphoma Australia is calling on people to raise awareness, to look at how we can get the symptoms of lymphoedema better known and to have greater empathy for the sufferers throughout the community. During March Lymphoma Australia is launching a fund-raising and awareness initiative, inviting individuals, businesses and healthcare workers to raise awareness of the symptoms by hosting an iced tea party to support education and research into lymphoedema. Australians across the country can register today to host one of these parties and to be part of the process. Awareness is a critical weapon in the fight against lymphoedema. We can in fact change lives by raising awareness and raising funds for increased research into the area.

We know that GPs want more information about the condition and we know that patients want more information about the whole process. Lymphoedema is a long-term condition which requires daily physical management, and an early diagnosis can improve the quality of life for people. We can make sure that there is understanding and also effective diagnoses. We know that people who have lymphoedema suffer from badly swollen limbs, pain and immobility. It can also mean changed appearance, altered body image and the loss of everyday life skills, and it is often linked to anxiety and depression. There is no specialised medication for lymphoedema and the standard treatment consists of compression garments and specialised programs from well-trained, professional physiotherapists. This involves great cost to the people affected.

You may not even notice that someone is wearing a compression garment; these are stretch garments that you see people wearing on their arms and legs. The cost of these garments is extraordinarily high and is not covered by private health funds or public health programs. The need for specially made garments that provide more comfort and more protection imposes an even greater expense. Local hospitals often do not have compression garments available and off-the-shelf garments are not covered by private health insurance. We know from talking to people who are living with the illness that this is a major concern, as is the financial impost.

When we were involved in the 2006 community affairs committee inquiry into gynaecological cancer in Australia, we heard particularly heartbreaking evidence from women who came to share their experiences.
I remember sitting on that committee with Senators Jeannie Ferris and Judith Adams, who knows the issues surrounding lymphoedema well. We met a Mrs White, who was an extremely effective advocate for the cause. She said that she had contracted lymphoedema in 1996. The cause was the removal of lymph nodes during cancer surgery. In the 10 years between the surgery and her speaking to us, she had been hospitalised on more than four occasions with cellulitis. The first time she contracted cellulitis, Mrs White had no idea what was happening. She could barely walk because of the increased swelling and the hardness she suffered in her legs. She described her condition to the committee and she said:

It is like elephantitis with your legs. If it is left untreated, you can end up with badly ulcerated legs. Your weight balloons.

The consequences for Mrs White's lifestyle were very profound, but all too common. She said:

Physically and mentally it is a big problem—and sexually with my husband. And I have had to curtail what I do. As I said to you before, I have always been an outdoor person and I have to choose what I can do. I cannot do it in the summer months, because in the summer months the blood drains out of the blood vessels more and that causes more swelling.

She finished her testimony to the committee with an appeal, and I will always remember this comment:

I would just like to see a lot more help out there for people. A lot of these things could possibly be avoided or, if they cannot be entirely avoided, it would make it a lot easier for them to be managed. And that is what it is all about, because you have to manage a lot yourself. It is not always possible, because a lot of people do not have a partner and so they do not have help with massage or bandaging at home.

We do need to carry things through and not just talk about them. We need deeds and not just words. The deeds that Mrs White talked about are carried out by lymphoedema support groups across the nation. I want to pay tribute to these women—and they are mainly women—and men who are there to provide peer support and who can be contacted at all times. They tell people that they understand their suffering and point out some of the things they have learnt from their own experiences.

In Queensland I spoke to Karin who was surprised by her diagnosis of lymphoedema after she had cervical cancer in 1993. Her story is similar to many with that condition. She was unable to find a specialist physiotherapist. It is most important that we acknowledge the work of specialist physiotherapists in this area because they can do great work to alleviate pain and help people who are genuinely suffering. Karin was able to find the Lymphoedema Association of Queensland on the internet. That was so important. Karin said something that I have heard many times from people who suffer from this condition—that is, she found her lymphoedema more frightening than her cancer. When you have someone who has been through the horrors of cancer saying the lymphoedema is more terrifying, that shows you just how important and how terrifying this condition is.

During this awareness month we need to talk about the issues of lymphoedema, we need to support the research happening in this country and, most importantly, we can show empathy and support for those people who are working through this condition every day of their lives. We as governments can work into the future to provide more support through physiotherapists and through compression garments, which are so important. I call upon everybody to be involved this month. Perhaps it is not a condition that gets the public attention it should do, but we can change that this month. If we can get involved with the tea
parties, we can get people talking and take away some of the ignorance around the condition and we can show that we are effective in working together on the issues of lymphoedema in our community.

Coal

Senator RHIANNON (New South Wales) (19:29): The CSIRO's State of the environment report, released today, forecasts worsening global warming. The climate threats facing our planet and its people are being accelerated by the relentless expansion of coal mining and coal exports in Australia. We have seen in the news the horrifying scale of the new coal export terminal in Queensland that will export climate change to the world and threatens the Great Barrier Reef. In New South Wales, project plans for a fourth coal export terminal, the T4, at Kooragang Island in Newcastle Harbour went on public exhibition last week.

Any climate change action being taken in New South Wales is being grossly overshadowed by the short-term vested interests of the coal industry. Australian annual coal exports are forecast to reach 450 million tonnes by 2015. New South Wales export 200 million tonnes of coal, with 180 million tonnes forecast to move through Newcastle Harbour each year. Then we add to this the 120 million tonne export capacity coming online by 2015 at the T4 terminal.

The efforts of federal and state environment and climate change departments to develop emission reductions strategies are simply dwarfed by these figures. They are also undermined by the incredible public relations swindle being carried out by the coal companies, financing campaigns and ads to feed doubt about climate science in the public's mind, even though the scientific community has reached a consensus position.

According to the 2010 New South Wales Coal Industry Profile, the value of coal exports in New South Wales last year was over $16 billion. The Hunter Valley coal producers are driving the further expansion of the Newcastle port because of supply chain problems. Many new mines have come online in recent years but they are digging up coal faster than they can move it. Last year the federal government announced it would chip in another $1 billion to the Australian Rail Track Corporation to build new coal rail lines from the Hunter mines to Newcastle Harbour, on top of a previous $1.2 billion stimulus package investment made in 2008. This is not money for passenger rail services. Though freight is carried on those lines, it is a clear subsidy to the coal industry.

The dozens of big players that move their coal through the Hunter Valley, who benefit from this subsidy, are largely foreign owned mining companies such as Rio Tinto, with its headquarters in London; the Swiss based Xstrata; Chinese Yancoal; and our own mining multinational, BHP Billiton. These heavily subsidised companies do not share their billion-dollar profits with the rest of the country. The impact these coal multinationals are having on both the global climate and the local environment will be a burden that will shape the lives of generations to come.

One of these foreign owned mining companies, Yancoal Australia, is owned by the giant Chinese miner Yanzhou Coal. Last week Treasurer Wayne Swan approved the merger of Gloucester Coal with China's Yancoal, making it one of Australia's largest coal miners. Gloucester, once a rich agricultural producing region with enormous tourism potential, is being overrun by mining. The same company was also recently knocked back on the Ashton Mine expansion near Singleton in the Upper Hunter.
Yancoal also holds an 80 per cent stake in the 100 per cent foreign owned Moolarben coal mine at the western edge of the Hunter Valley, where coal mining has expanded into the western coalfields in the Mudgee district. I first visited this region in 2005 to inspect the rapid expansion of coal mining. As a New South Wales Greens MP I worked with a broad range of people from regional coal affected communities who were calling on the then New South Wales Labor government to properly assess the cumulative impact of mining. Successive mining and exploration licence approvals were threatening the agricultural land and water they depended on, and threatening biodiversity from the clearing of local woodlands and threatened ecological communities.

Successive mines have been assessed and approved with a relentless rubber stamp, in isolation from one another, without any assessment of the cumulative impact on the region's land, groundwater, aquifers or ecosystems, and without consideration of their greenhouse gas emissions. I have witnessed over the ensuing seven years the realisation of concerns held by community and environment groups about the damaging cumulative impacts of those mines. A case in point is the impact that mining has had on the Goulburn River and the uncertain future that has been bestowed on the Goulburn River Gorges, a unique and vulnerable geological formation at the headwaters of the Goulburn River catchment, about 40 kilometres north east of Mudgee.

A small coal mine using pit ponies operated nearby at Ulan prior to 1980. In the 1980s Ulan Coal mine began to develop their open cut mining and long wall operations. In 1981 White Mining diverted the Goulburn River around an open cut mine. They literally moved the river to suit the mine. The river diversion is unstable and has never been adequately rehabilitated. As the river now lies immediately adjacent to the open-cut void filled with coal rejects, tailings and overburden, it continues to impact on downstream water quality, particularly after significant rain events. Already degraded both in flow and water quality, the Goulburn River faces increasing threats from the insatiable expansion of the three local but foreign owned mega coal mines—Ulan, Wilpinjong and Moolarben.

The Xstrata owned Ulan mine will produce up to 20 million tonnes of coal per annum, the Peabody owned Wilpinjong mine was granted approval in September 2010 to increase production to 15 million tonnes per annum, and Yancoal's Moolarben mine will have the capacity to produce 17 million tonnes per annum at full production—making a combined total of 52 million tonnes of coal each year from these three mines, destined for export to Asian markets. When burnt, that coal from these three mines will generate 135 million tonnes of carbon dioxide every year.

These three mines now draw 30 to 40 million litres of water per day—around 10 to 12 gigalitres per annum—from a catchment area already stressed by the cumulative impact of years of coal mining. The impact of relentless groundwater extraction, interference with and contamination of aquifer and river systems, mining subsidence, mine dewatering and on-site usage is so clearly unsustainable and yet mining continues to expand. There is no accurate modelling currently available to adequately predict the impacts on river and groundwater systems. They just do not know. I particularly want to tell the story of the fate reserved for two magnificent and unique natural features of the Goulburn River—the Corner Gorge and the Drip Gorge. When I first visited the Drip Gorge I was in awe of its sheer beauty. The giant cliff face towered over us and a wall-like
wave, constantly dripping, was covered in a
tangle of greenery. It was so stunning. The
locals treasure it and have campaigned for its
inclusion in the nearby national park. In
2007 the then New South Wales planning
minister Frank Sartor's mine project approval
insisted that the Moolarben mine must:

… ensure that the Drip, Goulburn River Gorge
and bed of the Goulburn River remain outside the
zone of recorded subsidence damage for longwall
mining—

and that any—

revised mine plan would need to comply with the
performance criteria specified in this condition.

Yet recently under the New South Wales
government these irreplaceable natural
wonders, once situated on crown lease sites,
were privatised to freehold title as part of an
offset strategy. These precious parts of the
Goulburn River Gorge are now privately
owned by the Chinese corporation
Yankuang.

The offset strategies are a con. Lands are
bundled into an offset package as partial
compensation for loss of biodiversity and
riparian habitat. They are also swapped for
other packages between private companies
and the government. There is often no
beneficial environmental outcome but it
clearly works in the interests of the miners.
All the biodiversity offsets in Moolarben's
case are located outside the Hunter Valley
catchment. They do not represent like for
like, nor do they replace the net loss to the
bioregion or to the east-west corridor
connecting the western woodlands with
coastal forests. It is absolutely farcical.
Worse still, in Moolarben's latest project
application, the offset package no longer
includes the Drip Gorge and the Corner
Gorge despite the former requirements set
out by the New South Wales planning
department.

I very warmly congratulate Julia and
Colin Imrie, Bev Smiles and the rest of the
team of the Mudgee District Environment
Group, as well as the local Aboriginal group,
Muron Gialinga, and David Maynard, who
works with them. Their work has been
absolutely critical. (Time expired)

**Whyalla TAFE**

**Senator GALLACHER** (South
Australia) (19:39): I rise today to speak
about the Whyalla TAFE institute and the
good work it is doing in the pre-employment
training area. On a recent visit in the
electorate of Grey I was able to visit the
Whyalla TAFE campus and see for myself
the excellent training facilities that are
helping to develop highly skilled graduates
in their various fields. The brief history of
the Whyalla TAFE campus is that it was
initially a trade school and then was part of a
technical high school for many years until
1968, when it moved to the current premises.
All trades were covered back then. In 1978
the current complex was opened as there was
an expectation of an increase in
apprenticeships. Unfortunately, the Whyalla
shipyard closed and the increase in the
apprentices did not occur. Over the years the
complex changed several times. It moved
away from the trade school image and
expanded to include business studies and
other classes. It became a community college
and then, eventually, to what is now known
as TAFE SA Regional.

As I said, due to the closure of the
Whyalla shipyard, the engineering
department is currently underutilised. It was
designed for 800 apprentices but currently
only offers placement for around 50 per cent
of that mark. Important initiatives like the
Pre-employment Training Program are
helping to boost numbers again. The
Whyalla TAFE is currently running a full-
time 20-week Pre-employment Training
Program in mining and heavy industries. The project commenced on 30 January and is delivering a range of courses for the Certificate II in Engineering. Fifty local unemployed participants have been intensively learning new skills and personal development that will set them up for employment in the mining and heavy industry sectors. The project was established in response to industries in Whyalla facing difficulties in recruiting employees with appropriate skills. Participants are given the tools and experience to become work ready. They are given hands-on skills training by TAFE SA and are guided through a personal development program facilitated by Globally Make a Difference to ensure that participants are in a personal place to become full-time employees.

Regional Development Australia Whyalla and Eyre Peninsula, along with the Department of Further Education, Employment, Science and Technology as well as the Department of Education, Employment and Workplace Relations, are working closely with key industry partners OneSteel, HWE Mining, Transpacific and the Skilled Group to ensure participants are best placed to take advantage of upcoming employment opportunities in these sectors. While these are the main businesses involved, participants in the training program will be able to take their learning and apply it to almost any heavy industry role.

These local industries have helped to develop the Pre-employment Training Program based on their requirements. The companies have also shown their commitment through information sessions and site tours. OneSteel, HWE Mining and the Skilled Group were also involved with the selection of the participants and the interview process to ensure that candidates had a realistic outlook of the industry and its requirements. The industries are building relationships with participants during their training so that, if an employment opportunity arises, they will already have established a working relationship. Whilst employment is not guaranteed at the end of the program, to date, three employers—OneSteel, HWE and TPI—have visited TAFE SA during the program, and one company has indicated that there are at least four vacancies for which they would like to commence recruitment. Another mining company, Exact Mining, has called for applications to its Indigenous employment program. Participants will be invited to apply and will be assisted with applications where appropriate.

The Pre-employment Training Program is also aiming to help some participants overcome drug or alcohol problems that were holding them back from obtaining employment. Rigorous drug testing provided by OneSteel is being completed as part of the program. Those who tested positive are being offered appropriate counselling with the drug and alcohol counsellor attached to the Pre-employment Training Program. Drug and alcohol education is also being provided to the participants as part of their training.

Drug and Alcohol Services South Australia provides each group with 10 hours of drug and alcohol education, presented in a workshop environment over five weeks. Topics include drugs in the workplace, drugs and mental health, and community support. I am told each group has shown significant progress from the first session to the last and that Drug and Alcohol Services SA will return later in the program for a follow-up session with each of the group participants.

Support staff for the program include two mentors, who are the first point of contact if participants have issues that could affect their studies. Supporting participants in this way is helping to maximise their chances of success in this program. While such support...
is being provided to participants, the program is very much self-directed, with strict guidelines that need to be adhered to, including performance indicators—for example, attendance and punctuality. Incentives are offered to those who achieve the performance indicators.

The program content covers classes from a Certificate II in Engineering and modules from the OneSteel safety training course, as well as practical classes, including exposure to things like welding, hand tool use, machining, technical drawing, quality systems and procedures, trade maths and supervised practical projects. The participants are from many groups, including mature-aged, female and Indigenous participants, as well as those with numeracy and literacy problems and, as mentioned, those who have suffered or are suffering from drug and alcohol addiction. The majority of participants are long-term unemployed from Whyalla, but two come from Oodnadatta.

In an article in the *Whyalla News* of Tuesday, 21 February, pre-employment training participant Damien Andersen said:

I've chosen to take part in this course because it's a good opportunity to network with some of the major players in the mining industry … So far it's been good … It simulates work style routine and expectations of your commitment, attitude and even lifestyle to a degree by adhering to a drug and alcohol free policy while being at the course as you would for the real work of mining … My end achievement is to gain employment at a mine as an apprentice diesel mechanic and set myself up for a solid career.

Female participant Hayley Pedler said the course had been beneficial to her because it had shown her what working in the mining industry would be like. She said:

We've been taught a lot of new skills, like how to weld … It's good to see what it would be like to work in the industry and see how things are done.

In a recent article in the *Whyalla News*, TAFE SA senior training manager Jack Velthuizen said he was pleased to see an additional 50 students learning skills for a trade because it would assist in preparing them to take on relevant employment when the anticipated mining boom hits the region.

To ensure students are not only skilled with accredited training but also mentally prepared to enter the workforce, a personal development program is being delivered throughout the 20 weeks of training. This program includes, as mentioned, a heavy focus on drug and alcohol education, but also time management, work readiness, budgeting, career development and sport, along with team building. Furthermore, students who present with literacy and numeracy issues are being provided with up to 10 additional hours of support per week by the Language, Literacy and Numeracy Program in the Department of Education, Employment and Workplace Relations, delivered by Mission Australia. This is another initiative that the government has implemented to ensure that those with special needs are catered for and given the best opportunities to succeed in acquiring the skills they need to move to full-time employment.

The Whyalla Career Development Centre is the first point of contact for interested job seekers. They assist applicants through the process of completing applications and cover letters, updating resumes to industry standard and offer interview tips and preparation. Furthermore, postplacement support will be provided to all participants for a minimum of three months after the completion of the formal 20-week training period. Support will include connecting participants to alternative pathways including employment, further education and volunteering.
Vocational education and training through TAFE institutes and the various private providers makes a vital difference in people's employment outcomes. According to Australian vocational education and training statistics based on 2011 survey results, 77.4 per cent of graduates from VET programs were employed after training, up 1.1 per cent from 2010. Obviously this is a very valuable program which is seeking to take advantage of the expected increase in labour needs in the Whyalla region, and I commend the work of the Whyalla TAFE and all of their very skilled and able tutors to this place.

**Forced Adoption**

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (19:49): I rise tonight on adjournment to talk about and report on the inquiry into former forced adoption policies and practices. The report of the Senate Community Affairs References Committee was tabled in the Senate on 29 February. There were many mothers, fathers and children present who came here to see the culmination of an 18-month inquiry. When the report was tabled, senators may recall that there was an outbreak of applause from the gallery. More importantly, senators in the chamber stood and applauded those present in the gallery and all those affected by forced adoption. It was an unusual occurrence and I accept that it was unparliamentary, but it was an unusual occurrence that was a fitting tribute to those people affected.

It was a privilege to be able to attend the media event alongside these women after the tabling of the report. Some of them spoke, and I would like to congratulate them again for their bravery. The support that these women have for one another was evident in the room. It was suggested by some that we needed champagne to celebrate the end of their long journey and, of course, the Senate committee inquiry. Whilst we did not have any on hand, the spirit of the occasion was not lost. There were tears of sadness and also tears of relief. I would also like to take a moment to acknowledge and thank the Attorney-General, Nicola Roxon, for attending the function on behalf of the government.

Since the tabling of the report we have seen an encouraging amount of media recognising the practices of forced adoptions. I believe that this has been important to get the full range of experiences and what occurred out into the open even more. This range of media coverage has also given legitimacy to what happened to these mothers, fathers and their children and what occurred. There have been extensive accounts in newspapers with personal interviews from people who have been affected, reports on the radio and television news and supportive editorials. The positive effects of this kind of coverage have been far-reaching as more women, those who may not have felt comfortable speaking about their experiences, are now sharing their stories as they realise they are not alone and they will be listened to. No longer do they have to feel as if they have had a shameful secret that will not be believed.

In the fortnight since the report was tabled, more women have made contact with me to say what they have been through, asked for a copy of the report and asked also to be kept updated on the next steps in the process. This has really highlighted to me that we will never officially know how many women experienced the practice of forced adoption, but it is clearly in the realms of many thousands.

I would like to read part of an email—just one of the many emails I received after the report was tabled—from a woman who now lives in my home state of Tasmania:
I want to commend you on your report and investigation.

I relinquished my son in 1970 at Hornsby Hospital. I was living at Carramar for a few months prior to that. I was uprooted from my school without saying goodbye to my friends or school community. I was not able to have any contact with my boyfriend (now my husband of 40 years) and was given little choice. I don't remember seeing a social worker and the stories portrayed in the 7.30 Report certainly rang true for me.

The report contains 20 recommendations, the strongest of which is an unequivocal formal apology from the Commonwealth to all those mothers, fathers and children who have been affected by forced adoptions.

It goes on to recommend that this apology be presented in a range of forms and be widely published. It also recommends that state governments and other institutions involved in the practice of forced adoption give apologies. The report continues by saying that these apologies should include statements that take responsibility for the past policy choices and not be qualified with references to values or professional practice during the time.

The establishment of a national framework to address the consequences of forced adoptions, to be developed by the Commonwealth, states and territories through the Community and Disability Services Ministers Advisory Council, is also recommended. Another recommendation is that the Commonwealth, states and territories establish, as a matter of urgency, affordable and regionally available specialised counselling and support for those affected. An exhibition based on the experiences of those who suffered from forced adoption is also recommended so that what has happened is recognised, remembered and never forgotten.

As we move forward, the report is now with the government, which will carefully consider the recommendations and work with stakeholders on the government's response to the report and what has been proposed. I know that the report and recommendations are being taken seriously, and I look forward—as do many thousands of people affected by forced adoption—to the response when it is finalised.

Senate adjourned at 19:55

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

As Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.

Administrative Appeals Tribunal Act—Select Legislative Instrument 2012 No. 19—Administrative Appeals Tribunal Amendment Regulation 2012 (No. 2) [F2012L00561].

Airspace Act—Airspace Regulations—Instrument No. CASA OAR 033/12—Determination of airspace and controlled aerodromes etc Amendment Instrument 2012 (No. 1) [F2012L00559].


Aviation Transport Security Act—Select Legislative Instrument 2012 No. 30—Aviation Transport Security Amendment Regulation 2012 (No. 2) [F2012L00565].


Defence (Visiting Forces) Act—Select Legislative Instrument 2012 No. 26—Defence (Visiting Forces) Amendment Regulation 2012 (No. 1) [F2012L00562].
Financial Management and Accountability Act—
Notice under section 39A—National Breast and Ovarian Cancer Centre.
Select Legislative Instrument 2012 No. 28—Financial Management and Accountability Amendment Regulation 2012 (No. 1) [F2012L00564].
Tobacco Plain Packaging Act—Select Legislative Instrument 2012 No. 29—Tobacco Plain Packaging Amendment Regulation 2012 (No. 1) [F2012L00563].

**Indexed Lists of Departmental and Agency Files**
The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:
Indexed lists of departmental and agency files for the period 1 July to 31 December 2011—Statement of compliance—Infrastructure and Transport portfolio.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Lowy Institute
(Question No. 1517)

Senator Ludlam asked the Attorney-General, upon notice, on 19 January 2012:

(1) What financial contributions, if any, have each of the following government agencies or departments provided to the Lowy Institute for International Policy in the 2010-11 and 2011-12 (to date) financial years:

(a) Australian Federal Police;
(b) Attorney-General's Department;
(c) Australian Security Intelligence Organisation; and
(d) Australian Export Finance and Insurance Corporation.

(2) On what basis were such financial contributions made

Senator Ludwig: The Attorney-General and the Minister for Trade have provided the following answer to the honourable senator's question:

(1) (a) In 2010-11 the Australian Federal Police paid $35,000 to the Lowy Institute for International Policy. In 2011-12 (to date) the amount of $35,000 has been paid. All monies paid were for obtaining corporate membership.

(b) In 2010-11 the Attorney-General's Department paid $35,000 to the Lowy Institute for International Policy. No payments have been made to date in 2011-12. All monies paid were for obtaining corporate membership.

(c) In 2010-11 the Australian Security Intelligence Organisation paid $35,000 to the Lowy Institute for International Policy. No payments have been made to date in 2011-12. All monies paid were for obtaining corporate membership.

(d) In 2010-11 the Export Finance and Insurance Corporation paid $49,494.25 to the Lowy Institute for International Policy. In 2011-12 (to date) the amount of $44,000 has been paid. In 2010-11 the amount of $35,000 was paid for obtaining corporate membership, and $14,494.25 was paid for a presentation on the evolving global economy by the Executive Director, Lowy Institute for International Policy and Director, Lowy Institute International Economy Program.

(2) (a) Australian Federal Police

The financial contribution is for a corporate membership fee which allows access to research and consultancy. The AFP receives publications and services which include:

i. Up to two consultancy briefings per year with Lowy Institute subject matter experts, focused on AFP-specific business needs;

ii. Access to major events and functions, including:

a. Three places at the 'members and supporters' annual dinner hosted by the Chair of the Lowy Institute.

b. Two places at the Lowy 'lecture and dinner', featuring a major foreign affairs speech given by a prominent business, social or political leader.
c. Member pricing on any additional Lowy Institute lectures or functions.
d. Uncapped invitations for Wednesday lunchtime meetings at Lowy in Sydney, and invitations in Canberra and Melbourne 'Food for Thought' functions where Lowy Institute experts and guest speakers discuss a range of foreign affairs, international security, trade and economic issues.

iii. Invitations to a minimum of six other events per year, including a combination of distinguished speaker series, meet and greet functions and a range of seminars and conferences.

(b) Attorney-General's Department

Corporate membership provides for a relationship and exchange of knowledge between the Institute and the Attorney-General's Department and includes priority access to Lowy Institute expertise and facilities and the Institute's program of speakers and events of relevance to the Department as detailed in the response from the Australian Federal Police.

(c) Australian Security Intelligence Organisation

This membership is part of a strategy to enhance ASIO's outreach and generate opportunities to gain wider perspectives which inform ASIO's strategic thinking. Membership enables ASIO staff to attend Lowy Institute seminars. Lowy Institute executives and research staff have also visited ASIO to present on international economic, political and strategic developments and their impact on the international security environment.

(d) Australian Export Finance and Insurance Corporation

The corporate membership fee supports Lowy Institute's research into economic, political and strategic issues confronting Australia. Membership includes access to Lowy Institute researchers and staff for research and briefings.

The presentation on the evolving global economy occurred at a meeting of Asian export credit agencies (ECAs) in May 2010. The meeting was attended by senior management from 11 Asian ECAs. Cost included out-of-pocket travel expenses and time spent in preparation and delivery of presentation.

Tertiary Education, Skills, Science and Research: Air Travel

(Question No. 1542)

Senator Ian Macdonald asked the Minister for Tertiary Education, Skills, Science and Research, upon notice, on 8 February 2012:

For the period 1 January 2011 to 31 December 2011, or if more convenient for data purposes the 2010-11 financial year, what flights were taken by departmental staff between: (a) Townsville and Canberra; and (b) Canberra and Townsville, including details on whether they were direct or indirect flights.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

For the period 1 January 2011 to 31 December 2011 departmental staff from the Department of Innovation, Industry, Science and Research undertook:

(a) 21 flights between Townsville and Canberra; and
(b) 18 flights between Canberra and Townsville.

All flights were direct.

On advice from the Department of Education, Employment and Workplace Relations, for the period 1 January 2011 to 31 December 2011 departmental staff from the Department of Education, Employment and Workplace Relations working in the Tertiary, Skills and International cluster undertook:
(c) 12 flights between Townsville and Canberra; and
(d) 10 flights between Canberra and Townsville.
All flights were direct.

Industry and Innovation: Air Travel
(Question No. 1545)

Senator Ian Macdonald asked the Minister representing the Minister for Industry and Innovation, upon notice, on 8 February 2012:

For the period 1 January 2011 to 31 December 2011, or if more convenient for data purposes the 2010-11 financial year, what flights were taken by departmental staff between: (a) Townsville and Canberra; and (b) Canberra and Townsville, including details on whether they were direct or indirect flights.

Senator Kim Carr: The Minister for Industry and Innovation has provided the following answer to the honourable senator's question:

Please refer to the answer provided to Senate Parliamentary Question on Notice 1542.

Prime Minister
(Question No. 1546)

Senator Cormann asked the Minister representing the Prime Minister in the Senate on 9 February 2012:

With reference to the agreements to form government, signed by the Prime Minister with the Australian Greens and with independent members Robert Oakeshott and Tony Windsor, both of which state that The Parties will work together and with other parliamentarians to: Refer issues of public interest disclosure, where the Senate or House votes on the floor against the decision of a Minister, to the Information Commissioner, who will arbitrate on the release of relevant documents and report to both Houses (Clause 3e in the Labor-Greens agreement and Clause 3d in the Labor-Independent Members agreement):

(1) Why is the Information Commissioner still not in a position to arbitrate on a refusal by the Government to provide information requested by the Senate, as promised by the Government over 18 months ago.

(2) Over the past 18 months, has the Prime Minister, her office or the department received any representations from Senator Brown, any other member or senator of the Australian Greens, Mr Oakeshott or Mr Windsor insisting that the Government deliver on this commitment; if so, what was the nature and content of each of these representations.

(3) What steps, if any, have been taken by the Government to deliver on this commitment.

(4) Does the Government plan to ever deliver on this commitment; if so, when.

(5) In regard to an order of the Senate passed on 1 November 2011 requiring the release of information about the cost of measures related to the introduction of the Minerals Resource Rent Tax over the forward estimates:

(a) is the Prime Minister aware that the Government has completely ignored the order;

(b) how is the failure to comply with the order consistent with the Prime Ministers promise of a new era of openness and transparency in government; and

(c) when will the Government comply with the order.
Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

(1) to (4) Discussions between the Government and the Australian Greens and relevant independent members of the Parliament about mechanisms to implement this commitment are ongoing.

(5) Documents in response to this order were tabled in the Senate on 9 February 2012.