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the Senate and committee hearings are available at

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**SITTING DAYS—2011**

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<td>1, 2, 3, 21, 22, 23, 24</td>
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**RADIO BROADCASTS**

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- **MELBOURNE** 1026AM
- **PERTH** 585AM
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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH 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 Thomas Mark Bishop, Suzanne Kay Boyce, Patricia Margaret Crossin, Mary Jo Fisher, David Julian Fawcett, Helen Evelyn Kroger, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore and Louise Clare Pratt
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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<th>Senator</th>
<th>State or Territory</th>
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<td>Abetz, Hon. Eric</td>
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<td>Adams, Judith Anne</td>
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<td>Back, Christopher John</td>
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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.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

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

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

Minister for the Arts
Hon. Simon Crean MP

Minister for Social Inclusion
Hon. Tanya Plibersek MP

Minister for Privacy and Freedom of Information
Hon. Brendan O’Connor MP

Minister for Sport
Senator Hon. Mark Arbib

Special Minister of State for the Public Service and Integrity
Hon. Bill Shorten MP

Assistant Treasurer and Minister for Financial Services and Superannuation

Minister for Employment Participation and Childcare
Hon. Kate Ellis MP

Minister for Indigenous Employment and Economic Development
Senator Hon. Mark Arbib

Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Hon. Warren Snowdon MP

Minister for Defence Materiel
Hon. Jason Clare MP

Minister for Indigenous Health
Hon. Warren Snowdon MP

Minister for Mental Health and Ageing
Hon. Mark Butler MP

Minister for the Status of Women
Hon. Kate Ellis MP

Minister for Social Housing and Homelessness
Senator Hon. Mark Arbib

Special Minister of State
Hon. Gary Gray AO, MP

Minister for Small Business
Senator Hon. Nick Sherry

Minister for Home Affairs and Minister for Justice
Hon. Brendan O’Connor MP

Minister for Human Services
Hon. Tanya Plibersek MP

Cabinet Secretary
Hon. Mark Dreyfus QC, MP

Parliamentary Secretary to the Prime Minister
Senator Hon. Kate Lundy

Parliamentary Secretary to the Treasurer
Hon. David Bradbury MP

Parliamentary Secretary for School Education and Workplace Relations
Senator Hon. Jacinta Collins

Minister Assisting the Prime Minister on Digital Productivity
Senator Hon. Stephen Conroy

Parliamentary Secretary for Trade
Hon. Justine Elliot MP

Parliamentary Secretary for Pacific Island Affairs
Hon. Richard Marles MP

Parliamentary Secretary for Defence
Senator Hon. David Feeney

Parliamentary Secretary for Immigration and Multicultural Affairs
Senator Hon. Kate Lundy

Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Hon. Catherine King MP

Parliamentary Secretary for Disabilities and Carers
Senator Hon. Jan McLucas

Parliamentary Secretary for Community Services
Hon. Julie Collins MP

Parliamentary Secretary for Sustainability and Urban Water
Senator Hon. Don Farrell

Minister Assisting on Deregulation and Public Sector Superannuation
Senator Hon. Nick Sherry

Minister Assisting the Attorney-General on Queensland Floods Recovery
Senator Hon. Joe Ludwig

Parliamentary Secretary for Agriculture, Fisheries and Forestry
Hon. Dr Mike Kelly AM, MP

Minister Assisting the Minister for Tourism
Senator Hon. Nick Sherry

Parliamentary Secretary for Climate Change and Energy Efficiency
Hon. Mark Dreyfus QC, MP
Leader of the Opposition
Hon. Tony Abbott MP
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Senator Hon. George Brandis SC
Shadow Treasurer
Hon. Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Hon. Christopher Pyne MP
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Senator Hon. Nigel Scullion
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Senator Barnaby Joyce
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Hon. Andrew Robb AO, MP
Shadow Minister for Energy and Resources
Hon. Ian Macfarlane MP
Shadow Minister for Defence
Senator Hon. David Johnston
Shadow Minister for Communications and Broadband
Hon. Malcolm Turnbull MP
Shadow Minister for Health and Ageing
Hon. Peter Dutton MP
Shadow Minister for Families, Housing and Human Services
Hon. Kevin Andrews MP
Shadow Minister for Climate Action, Environment and Heritage
Hon. Greg Hunt MP
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Mr Scott Morrison MP
Shadow Minister for Innovation, Industry and Science
Mrs Sophie Mirabella MP
Shadow Minister for Agriculture and Food Security
Hon. John Cobb MP
Shadow Minister for Small Business, Competition Policy and Consumer Affairs
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Employment Participation  
Hon. Sussan Ley MP
Shadow Minister for Justice, Customs and Border Protection  
Mr Michael Keenan MP
Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation  
Senator Mathias Cormann
Shadow Minister for Childcare and Early Childhood Learning  
Hon. Sussan Ley MP
Shadow Minister for Universities and Research  
Senator Hon. Brett Mason
Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House  
Mr Luke Hartsuyker MP
Shadow Minister for Indigenous Development and Employment  
Senator Marise Payne
Shadow Minister for Regional Development  
Hon. Bob Baldwin MP
Shadow Special Minister of State  
Hon. Bronwyn Bishop MP
Shadow Minister for COAG  
Senator Marise Payne
Shadow Minister for Tourism  
Hon. Bob Baldwin MP
Shadow Minister for Defence Science, Technology and Personnel  
Mr Stuart Robert MP
Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC  
Senator Hon. Michael Ronaldson
Shadow Minister for Regional Communications  
Mr Luke Hartsuyker MP
Shadow Minister for Ageing and Shadow Minister for Mental Health  
Senator Concetta Fierravanti-Wells
Shadow Minister for Seniors  
Hon. Bronwyn Bishop MP
Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate  
Senator Mitch Fifield
Shadow Minister for Housing  
Senator Marise Payne
Chairman, Scrutiny of Government Waste Committee  
Mr Jamie Briggs MP
Shadow Cabinet Secretary  
Hon. Philip Ruddock MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition  
Senator Cory Bernardi
Shadow Parliamentary Secretary for International Development Assistance  
Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Roads and Regional Transport  
Mr Darren Chester MP
Shadow Parliamentary Secretary to the Shadow Attorney-General  
Senator Gary Humphries
Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee  
Hon. Tony Smith MP
Shadow Parliamentary Secretary for Regional Education  
Senator Fiona Nash
Shadow Parliamentary Secretary for Northern and Remote Australia  
Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Local Government  
Mr Don Randall MP
Shadow Parliamentary Secretary for the Murray-Darling Basin  
Senator Simon Birmingham
Shadow Parliamentary Secretary for Defence Materiel  
Senator Gary Humphries
Shadow Parliamentary Secretary for the Defence Force and Defence Support  
Senator Hon. Ian Macdonald
SHADOW MINISTRY—continued

Shadow Parliamentary Secretary for Primary Healthcare  Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health  Mr Andrew Laming MP
Shadow Parliamentary Secretary for Supporting Families  Senator Cory Bernardi
Shadow Parliamentary Secretary for the Status of Women  Senator Michaelia Cash
Shadow Parliamentary Secretary for Environment  Senator Simon Birmingham
Shadow Parliamentary Secretary for Citizenship and Settlement  Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Immigration  Senator Michaelia Cash
Shadow Parliamentary Secretary for Innovation, Industry, and Science  Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Fisheries and Forestry  Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Small Business and Fair Competition  Senator Scott Ryan
WEDNESDAY, 24 AUGUST 2011

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BILLS
National Vocational Education and Training Regulator Amendment Bill 2011
First Reading
Senator LUDWIG: I, and also on behalf of Senator Chris Evans, move:
That the following bill be introduced: A Bill for an Act to amend the National Vocational Education and Training Regulator Act 2011, and for related purposes.
Question agreed to.
Senator LUDWIG: 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 LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (09:31): I table the explanatory memorandum and 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—
24 March 2011 marked an important day for Australia’s vocational education and training (VET) sector. This was the day the National Vocational Education and Training Regulator Act 2011 was passed by this Parliament and one of the most significant reforms to the VET sector in years became a reality.

That Act clearly demonstrated this Government’s commitment to improving the quality and consistency of training in the VET sector, both at home and internationally. The Act established the national VET regulator and the Australian Skills Quality Authority, or ASQA, commenced operations on 1 July 2011. I acknowledge that this key reform could not have been achieved without the considerable support and cooperation over a long period between the Commonwealth and most states and territories, as well as stakeholders across the sector.

But I have to say, ASQA does not have an easy job ahead of it and there are many significant challenges in the sector that ASQA needs to work through. Since 1 July, ASQA has had responsibility for all registered training organisations (RTOs) in New South Wales, the Northern Territory and the Australian Capital Territory. It also assumed responsibility for RTOs in Victoria and Western Australia that also operate in referring states and territories, or offer services to international students. This accounts for around 2000 RTOs and this figure is expected to double over the coming year as Queensland, South Australian and Tasmanian Governments enact their legislation referring powers to the Commonwealth.

On commencement, ASQA took over a high volume of work with some 642 outstanding applications being transferred from state and territory regulators. ASQA has begun its operations with a robust, but risk-based, approach to regulation. With its new suite of regulatory tools to address non-compliance issues, it is steadily working through its significant workload to ensure that training providers either improve, or exit the system.

When the national VET regulator legislation was last before the Senate on 23 March 2011, I acknowledged that while the Government received very strong support from all the major stakeholders, they raised some legitimate concerns. There were also some issues raised in the reports of the Senate Standing Committees on Education, Employment and Workplace Relations.
Inquiry into the Bill and for the Scrutiny of Bills. Some of these concerns I was able to address at the time through amendment of the Explanatory Memorandum. Others I could not address due to the legislative process of states referring their powers. I did, however, ask my Department to hold a consultation process with stakeholders to consider these concerns and to allow me to introduce amending legislation as early as I could to address them, without disrupting the referral process.

My Department has undertaken an extended consultation process with stakeholders, including state and territory government officials. This consultation included two face-to-face meetings; one in Canberra on 20 and 21 April and a second one in Sydney on 9 and 10 August. At the April consultations those sections of the Act which had been identified as needing reworking were discussed in some detail. The second consultations in August involved consideration of an exposure draft of the amending Bill, on a confidential basis, to explain in detail the changes that are being proposed in response to concerns and suggestions of the stakeholders.

These consultation processes also provided an opportunity to reflect on the advice provided by the two Senate Standing Committees: the Scrutiny of Bills and the Education, Employment and Workplace Relations. I thank my colleagues on these committees for their work and considerations on this important government reform. I am pleased to say that following constructive discussions with stakeholders and states and territories, the Government has built a consensus around negotiated objects, and these will be reflected in a new section 2A Objects clause in the National VET Regulator Act. The objects would be as follows:

- to provide for national consistency in the regulation of VET
- to regulate VET using a standards based quality framework and, when appropriate in the circumstances, risk assessments
- to protect and enhance VET quality, flexibility and innovation and Australia’s reputation for VET both within Australia and internationally
- to provide a regulatory framework to encourage and promote a VET system that is appropriate to meet Australia’s social and economic needs for a highly educated and skilled population
- to protect students undertaking, or proposing to undertake, Australian VET by ensuring the provision of quality VET
- to facilitate people being able to have access to accurate information relating to the quality of VET.

The objects clause will also include two notes defining the standards-based quality framework and also that the objects are subject to the constitutional basis of the Act.
The Government, and stakeholders, consider these objects focus appropriately on the goals for a national regulatory and quality framework that is essential for retaining Australia’s reputation, that is essential for the protection of students and that is essential for businesses operating across state boarders.

**State/Territory Laws**

This Bill also amends section 9 of the Act which deals with the registered training organisations being immune from certain state and territory laws. The amendment clarifies that the intent of the main Act is that it applies in the same way in referring and non-referring states in relation to the Act’s interaction with their state laws.

The Bill also introduces a new subsection at 9(3) which provides a new mechanism to allow for laws in non-referring states to be specifically excluded with the agreement of the Ministerial Council. Commonwealth representatives have negotiated tirelessly and constructively with our state counterparts to draft a provision which all governments are comfortable with.

**Amending Accredited Courses**

The amending Bill clarifies the circumstances when the national VET regulator can amend a VET accredited course without an application being made by the course owner. This amendment to subsection 51(2)(a) narrows the power currently provided in the National VET Regulator Act. Concern that the existing power was too broad was raised by both the Senate Standing Committee for the Scrutiny of Bills and stakeholders. The proposed amendment restricts the circumstances when the regulator can amend accredited courses to situations where the amendment:

- updates the course
- corrects false or misleading information in the course
- is requested by a licensing or other industry body that has an interest in the course.

This power is important to ensure that the robustness of the VET quality framework can be maintained and that courses can be updated in response to changing circumstances or requests from industry.

**Cancelled Qualification**

The National VET Regulator Act provides for a civil penalty where a person purports to hold a VET qualification or statement of attainment that has been cancelled. The Act also requires a person to be notified of a cancellation and given a reasonable opportunity to return the cancelled qualification.

Both Senate Standing Committees raised concern about this process and were concerned to ensure that a person is aware of, or could reasonably be expected to be aware of, the cancellation of the qualification or statement of attainment before being liable for a civil penalty. The amending Bill therefore includes provisions to ensure this is clarified.

Minor changes are also proposed to sections 58, 59 and 60 to clarify details around the period within which a cancelled qualification must be returned, taking into account the method of notification and whether the person affected seeks a review of the decision to cancel the qualification.

The power to cancel a qualification is an important regulatory tool to allow the regulator to ensure the quality of VET in Australia. It helps to ensure that there are not uncertified people purporting to be properly trained and thereby bringing discredit to their industry. The amendments in the Bill ensure that the process in respect of informing a person of a cancelled qualification is as fair and transparent as possible.

**Use of force**

The Scrutiny of Bills committee, and some stakeholders, raised some concerns about the use of force provisions in the National VET Regulator Act. The Act specifies that an authorised officer may use force against a ‘thing’ - for example, to move or open a filing cabinet – when executing a warrant. The Government is proposing to amend section 70 of the Act to include limits on the use of force. Under the proposed amendments, the person in charge of the ‘thing’ in question must be given a reasonable opportunity to move or open it themselves, prior to any force being used. The Amending Bill also
clarifies that the section does not authorise use of force against people.

These amendments are consistent with the recommendation of the Scrutiny of Bills Committee in that they reflect the approach taken in other Commonwealth Acts such as subsection 3U(d) of the Crimes Act 1914. In my speech to the Senate on 23 March, I indicated that the relevant provisions in the Act would also be amended to include the recording by video of situations where force is used in executing a warrant. This option was also raised by the Scrutiny of Bills Committee. However, on further investigation by my Department, it was found that the use of video recording in such circumstances is not mandated by any other piece of Commonwealth legislation. Given this, I did not feel it appropriate to place this requirement on the national VET regulator at this time. This, of course, does not prohibit authorised officers under the Act from using video recording equipment if the regulator believes it is appropriate in certain cases.

**Authorised Officers**

The Scrutiny of Bills Committee also raised concern around the wide discretion that the regulator had to appoint authorised officers and that authorised officers be appropriately qualified and trained. The proposed amendment seeks to amend the Act to enable the Minister to make a determination about required experience, training and qualifications (if any) for authorised officers appointed by the regulator under section 89 of the Act.

**Sharing information with the Tertiary Education Quality Standards Agency**

In order to ensure a consistent approach to tertiary education regulation, particularly as greater numbers of providers operate in both the higher education and VET sectors, an amendment is proposed to facilitate information sharing with the Tertiary Education Quality Standards Agency, the higher education regulator. Not only will this facilitate information sharing, it will also help to reduce the regulatory burden on dual-sector providers.

**Headings**

Stakeholders also suggested that for ease of reading, some headings should be changed to better reflect what particular sections dealt with. The Government is always happy to work with the sector to ensure the Act is user friendly and clear for RTOs, trainers and students. We are therefore seeking minor amendments to the headings of sections 107, 108, 109 and 110.

This Amending Bill reflects the Government’s continued commitment to working with governments and stakeholders to continually improve the quality and consistency of training across the VET sector. A strong, nationally consistent regulatory framework is a key step in achieving this.

The DEPUTY PRESIDENT: In accordance with standing order 111, further consideration of this bill is now adjourned to the first day of the next period of sittings, which commences in 2012.

**Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010**

In Committee

Debate resumed.

The DEPUTY PRESIDENT: The committee is considering amendments (1) to (4) on sheet BM231, as moved by Senator Collins.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (09:33): I think on the last occasion I was about to respond to Senator Nash’s questions about the amendments. I take her to my comments at the outset when introducing the amendments. The amendments seek to change the start date of this measure from 1 July 2010 to 1 July 2011, and this will ensure that legislation is not retrospectively applied to the 2010-11 financial year and that we do not need to reclaim childcare payments paid to families.
Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (09:33): There has been some concern about the delay—obviously this has been on the books, so to speak, since last year. Could the parliamentary secretary indicate to the chamber the reason for the lengthy delay, which has created some uncertainty?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (09:33): Even from my distant understanding, being not the directly responsible minister, Senator Nash has been dealing with people’s concerns about and consultation around these measures to ensure that people are satisfied with how they would work with moves aligned with the National Quality Framework.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (09:34): Am I correct in understanding that the legislation, I think you said yesterday, was going to affect less than one per cent of families?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (09:34): I have just checked my recollection—it is less than one per cent of families earning less than $100,000. I think your quote from the Prime Minister did not have that qualifier.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (09:35): Thank you for the clarification. We were also discussing yesterday how the child care rebate relates to the funding that will be provided for the National Quality Framework and from memory you raised the issue of the change in ratios from one to five to one to four. My understanding is that be Department of Family and Community Services in New South Wales undertook some research that said when the new ratios were imposed, to one to four, the average cost increase per place for under twos was $7.59 a day and if you extrapolate that out over five days a week, 48 weeks of the year, it is an increase of around $1,800 a year. Is that research correct, or do you have any alternative view? I would expect if it was the department of community services doing the research then they would be a fairly reputable and reliable source of what the increased cost was going to be.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (09:36): While officers deal with a more detailed aspect of that question I should highlight the most ideal component, which of course is that half of any increase in fees as a response to changes in the National Quality Framework is met, essentially, by the child care rebate. The first point is that some of the figures that have been bandied around, certainly that I have seen in the media, have failed to take into account that the Commonwealth is indeed meeting half of the extra increase in fees by virtue of the rebate payments to families. With respect to the...
New South Wales Department of Family and Community Services research, perhaps the additional comment I can make is that indeed in New South Wales many years ago many centres moved to the one to four ratio. I have just been informed that New South Wales generally has moved to the ratio of one to four and that has not shown any significant impact.

Senator IAN MACDONALD (Queensland) (09:37): I was very interested in the parliamentary secretary's answer to Senator Nash. Parliamentary Secretary, what I cannot understand is that you say half the increase will be paid by the government. To me, that reinforces the view the coalition has had that this is just another cost increase on families. I have to declare that I do not have an interest in child care. It is something I am very concerned about for other Australians but I personally do not have an interest in child care and it is not a subject I have followed closely. In the last couple of weeks, as this bill coming forward became known, some of my young friends, members of the LNP up in the north, have approached me concerning this. Their concern is that this is simply another increase in costs on ordinary Australian families which they can ill afford in this cycle.

Parliamentary Secretary, even your government is aware of the huge increases in costs of living on ordinary Australians. Power prices have been going up in my state of Queensland under the mismanagement of the Bligh Labor government for years now. When the carbon tax comes in, costs of living in Queensland will skyrocket. That will be very hard on ordinary Australian families. It is particularly difficult today if you happen to be a worker in Wollongong, where you are looking in the face of losing your job, along with 999 of your fellow workers. Through various circumstances underlying everything that is happening in Wollongong and in employment right throughout Australia, people with the money to invest in companies like BlueScope Steel simply have no confidence under this government. They have no confidence because they cannot believe anything our Prime Minister says. I am even embarrassed to say 'our Prime Minister'. I prefer to refer to Ms Gillard as the Leader of the Labor Party because she really has not given——

Senator Lundy interjecting——

Senator IAN MACDONALD: I'm a disgrace? If I went to an election, Senator Lundy, and promised with my hand on my heart that I would not do something and then a couple of months later, when I won the election on the basis of that promise, I did the exact opposite from what I had promised, I would think I would be described as a disgrace, but I have not done that. It is your leader, the Leader of the Labor Party, who one year ago——

Senator Lundy interjecting——

The CHAIRMAN (09:41): Order! Senators, please address your remarks through the chair.

Senator IAN MACDONALD: Senator Lundy, you say this is a filibuster. I am asking a question. I do not know what you are doing here. Certainly your interjections are not helpful. The leader of our nation at the present time, the Leader of the Labor Party, made a solemn promise to the Australian public just a few days before an election, a promise upon which many Australians voted for your party, Senator Lundy. Then they found out that the trust they put in the Leader of the Labor Party, our current Prime Minister, was just shattered. If that is what you call filibustering, get used to it, get over it!

Every opportunity I get, I will reflect the views of my constituents, which are, 'How can we have a Prime Minister who is so
deliberately dishonest?' It is not only the Prime Minister. You have distracted me, Senator Lundy, from the bill before the chamber—and I want to get back to that. It is not just the Leader of the Labor Party, but the Deputy Leader of the Labor Party, Mr Swan, as well. When Mr Abbott promised people in Australia, 'As sure as night follows day, when Labor and the Greens get together after an election, you are going to have a carbon tax,' Mr Swan said, 'He's being hysterical.' On 12 occasions or more, Mr Abbott told the Australian public that the Labor Party would break their promise and introduce a carbon tax and Mr Swan said, 'He is being hysterical.' Why do I mention it? Please interject again, Senator Lundy, but I want to get back to the bill before the chamber, the Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010.

There is no more important facility to support families than assistance with child care. As I understand this bill, it is going to make the costs of child care even greater for the ordinary family. Perhaps living in this wonderful city of Canberra, which has almost every facility, Senator Lundy would not understand that where I come from—a great part of the world; Northern Australia, the future of Australia, is magnificent at this time of the year but around Christmas time it gets pretty hot—there would not be a responsible childcare centre that did not have air conditioning for use in the warmer months of the year. Again, I am not sure what people in this chamber know about the cost of air conditioning, but it is a fairly big power user. It eats into the power. With the carbon tax, the cost of that electricity—that power and energy providing the air conditioning and the comfort for young people in childcare centres—is just going to skyrocket. Young families taking advantage of childcare facilities are not only going to be slugged by the bill before the parliament but are going to be slugged with the increased costs of their childcare centre in all sorts of ways. I particularly draw your attention to what a carbon tax will do to the cost of power and therefore the cost of energy in that great part of our country, Northern Australia. It is no longer a luxury in Northern Australia. Northern Australians are entitled to the same sort of comfortable life that people in Canberra have. To do that, air conditioning has become essential.

I ask you to think about what a carbon tax will do to the cost of power and what the increase in the cost of power will do to people in childcare centres who have to have air conditioning to get through the day. Might I add, going to the other end of the scale where perhaps I do have a greater conflict of interest, all of the aged-care facilities in Northern Australia are big users of air conditioning, and so they should be. People in the later stages of their lives who have pioneered the north, who have made a magnificent contribution to the Australian economy over many decades, are entitled in their later years to have the benefit of cooling that air conditioning brings. For many elderly people, particularly those still living in their own homes on a pension, when the carbon tax comes in the cost of their power is going to increase and many of them will of necessity have to turn off their air conditioners. That will not only cause them discomfort but in many cases, as you well know on the other side, it can cause significant health problems and even death. All of this will follow.

I digress to say that yesterday in question time some of the Labor Party people on the other side were suggesting that you cannot believe Western Australian government modelling because it is a Liberal government in Western Australia, or that you cannot believe New South Wales Treasury public
service modelling because there happens to be a Liberal Premier. I wonder why you can follow that hypothesis but not follow the hypothesis that perhaps Commonwealth modelling is not accurate because there is a Labor leader who has proved herself to be dishonest. You never know what is happening in the Labor Party with these sorts of things.

Even on the federal government's own modelling across the whole of Australia prices are going to go up by 10 per cent. According to the New South Wales government modelling, which I happen to think accords more with reality, it is going to be up 15 to 20 per cent. The Queensland government are doing things but we get confused answers from them. I know they know the answers but they do not want to tell us about them because it might have a political element. You might be aware that when we talk about climate change issues in Queensland the head of the climate change section of the Queensland government just happens to be the Premier's husband. As I understand it, he got that job without any competitive application. I believe he is quite a competent and able person and probably does a good job. My understanding though is that there was no competitive tendering for that job. On climate change issues with the Queensland government, at times you are never quite sure where the dividing line is.

Getting back to the point I am making, the question I want to ask the parliamentary secretary is: even if, as you said in your answer to Senator Nash, some of the cost is met by the government, isn't it a fact that there are still considerable additional cost increases on average families using the support of childcare facilities? While I am at it, I ask you, Parliamentary Secretary: is the government making any contingency plans for the additional costs in childcare centres and in child support agencies that will necessarily follow the introduction of a carbon tax? As you will remember, that is the tax that the current Prime Minister promised would never be introduced under a government she led. Is the government making any contingency plans for additional support to agencies and support services for children and for elderly people that must follow when a carbon tax is introduced and when prices of power are increased anywhere between 15 to 20 per cent and will keep increasing over the next few years? I do not want to hold up the Senate. I do not want to take my full time on this. I will stop now and ask the parliamentary secretary to perhaps answer my questions.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (09:52): I paused for a moment, Mr Chairman, because I thought you were going to ask Senator Macdonald to withdraw his reference to the Prime Minister.

The CHAIRMAN: Senator Macdonald, you did make a reference to the Prime Minister during your speech concerning dishonesty. You reflected on the character of the Prime Minister and you may wish to withdraw that remark.

Senator Kroger: Mr Chairman, on a point of order: my recollection is that Senator Macdonald did not reflect on the dishonesty of the Prime Minister at all—he was reflecting on the pledge she made before the last election but withdrew.

Senator Ian Macdonald: Mr Chairman, if I have offended anyone I will certainly withdraw. I do not know what the right terminology is, if you promise one thing and then a few days later you break the promise. I do not know what you call that, but I withdraw.

Senator JACINTA COLLINS: I do not think that Senator Macdonald properly
understood the response I gave to Senator Nash, and this might help resolve some of his questions—certainly the questions that relate to this measure as opposed to the carbon tax measures that he occupied a good 10 minutes of the time for this debate addressing. It is a very important issue and that is why the government does have contingency plans with respect to the carbon tax in terms of household compensation and the increase in income support for households.

Senator Ian Macdonald interjecting—

Senator JACINTA COLLINS: I think we will stay on child care, Senator Macdonald. The point I made in respect of Senator Nash’s comments reflecting on the New South Wales modelling was that in New South Wales they introduced the one-to-four ratio at the start of this year and the cost increases, if at all, were marginal—essentially in the order of inflation—and were nowhere near what was suggested certainly by some of the modelling similar to that which has occurred in Queensland. The point I was making further to that was that if and where there have been cost increases, the media discussion of those increases has highlighted the full cost rather than the out-of-pocket expenses for families, which of course have been assisted by the childcare rebate and the childcare benefit.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (09:55): It is the issue of cost that I want to go to. Obviously there is no increase in the childcare rebate—and that sounds like a fairly simplistic sort of statement; indeed, we are having a cut to the childcare rebate so there is not extra assistance for families through the childcare rebate that we are discussing today. The chamber is getting conflicting information from various quarters. I must say the government is not doing a particularly good job of allaying our concerns about increases in costs. Quite frankly I think the government trying to purport that it is only going to fall upon a certain number of families so it is all okay is simply appalling. There should be no increase in childcare costs for any family, full stop. I refer to my comments yesterday about the similarity in figures between the $80.9 million that the government has wasted administering an emissions trading scheme that does not even exist and the $81 million that the government is going to find through this savings measure—and let us be very clear, the increase in fees for families is a savings measure for this government. It is no wonder that families are saying that, regardless of the size of the impact that the government keeps reassuring people about, not one single dollar should be applied as an increase to any family across the country. It is as simple as that. The government, if it had not wasted so much money, would not have to be raiding the piggy banks of the kids and the parents of families using these childcare centres. It is simply not on. No amount of justification from this government, saying it is only a few families or it is a minimal number of families, can justify an increase.

I will stand corrected if I am wrong, but my understanding is that the Greens’ Senator Hanson-Young will be supporting the government on the changes to the childcare rebate. Is that not hypocrisy in the extreme? Let me take senators to comments Senator Hanson-Young has made on the record. Given that Senator Hanson-Young has yet to enter the debate, and we are probably getting very close to ending the debate, it is important that we have it on the record that Senator Hanson-Young said earlier this year:

We would be extremely concerned about any changes to the childcare rebate that would make it harder for families to access affordable Early Childhood Education and Care (ECEC) services.
Rather than using cuts to childcare services as a potential budget savings measure, what the Government should be doing is a root and branch review of how ECEC services are funded at a federal level.

Perhaps I am wrong, but this is certainly an opportunity for Senator Hanson-Young to put her comments very clearly on the record. If she is supporting the government, why has she changed her view about using cuts to childcare services as a potential budget savings measure.

My colleague Senator Macdonald again raised the issue of electricity costs. I understand there is a childcare centre in Brisbane whose increased electricity cost as a result of the carbon tax will be $2,400 a year—that is an extra cost for the childcare centre. I raise this because this bill is raising money, as the government has said, to go to the National Quality Framework. Perhaps the parliamentary secretary can assist because it has become evident today that concern out there is prevalent and the government’s assurance that this is not going to hurt many families simply does not tally up with what is out in the community. This savings measure, which is going towards the broader changes of the national quality framework, has many families concerned about increasing costs. I note that the Kids World Kindy director and vice president of Child Care New South Wales, Lienna Mandic, said the reforms will result in price increases of $12 to $20 a day. I note you have said, Parliamentary Secretary, that New South Wales has changed by and large, but is the vice president of Child Care New South Wales wrong?

Senator JACINTA COLLINS
(Victoria—Parliamentary Secretary for School Education and Workplace Relations)
(10:01): There are a few issues here because your comments do not seem to reflect an accurate understanding of how the childcare assistance measures work. You have mentioned that there is no increase in the childcare rebate. The point I was making is that, if families are faced with increases in fees, the level of support they receive under the childcare rebate increases up to the cap of $7,500. You will recall that on average most families are only receiving in the order of the lower end of $2,000 per year. So there is more than ample and adequate scope for any increase in fees, if indeed such increases might incur, to be met with further support under the childcare rebate.

I also made the point that the potential being discussed today has not been the experience in New South Wales. You referred to the vice president of Child Care New South Wales and figures of $12 to $20 per day in costs. They are talking about the cost of a childcare place per day; they are not talking about the out-of-pocket expenses for families after they have received income support.

Yesterday we were discussing child care as a cash cow; today we are using highly emotive language such as ‘raiding piggy banks’. I need to refer again to the context here. Under the previous Howard government, the childcare rebate was only 30 per cent, unlike the 50 per cent today, and the cap was $4,354, not the $7,500 which this measure pertains to. A point I made
yesterday, and one I recall from its introduction, was that parents had to wait up to two years to receive the support introduced under the Howard government, and this is a point to Senator Ian Macdonald. It is also useful to note that under the Howard government we were ranked 13th out of 14 OECD countries in spending on early childhood education. Indeed yesterday I highlighted that it had taken five years and still we had no early childhood agenda—it had been very much paraded but never delivered during that time. There was no commitment at all to improve childcare quality for the almost 800,000 families with kids in care each week.

Senator BERNARDI (South Australia) (10:05): Reflecting on the parliamentary secretary’s comments then and on what Senator Nash and Senator Ian Macdonald brought up reminds me that there are very few in this chamber, particularly on the other side, who run a business of any significance. I do not mean that in any belittling way but running a business does give you an understanding of the financial burden on those who have capital invested, in ensuring they can provide value for money to their customers. Many childcare centres—until they were nationalised in part by this government, which seems to want to nationalise many things—are run as independent commercial entities which need to provide good value for money with minimised cost increases.

On the other side of the equation we have families. It has been acknowledged by almost everyone in this chamber that families are doing it tough. Many families struggle every week to balance the budget, to make ends meet. There are people living on borrowings, using credit cards. That is something I would not like to see continue.

Inflation is starting to pick up. We have seen that from the RBA. When Mr Rudd was Prime Minister, before he was brutally knifed and politically dismembered by the Labor faceless men, he had a war on inflation—with GroceryWatch, and Fuelwatch, and watch everything except his own back—which clearly failed. Inflation is now coming home to roost.

A quick economics lesson here: inflation is purely driven by money supply. When the money supply increases, you have price increases. That is what we are seeing. We are seeing price increases as a direct result of the injection of money into our economy by this government—money they do not have, might I add. It is not backed by anything except the government’s full faith and credit. It is money that has been borrowed from overseas and injected into our economy, and that is why we are seeing increases in the price of a range of things that we need. I touched on this yesterday.

One of these things that we need in this country is child care, and of course the cost of child care is increasing. There are enormous burdens on the operators of these childcare centres to provide adequate facilities and services. Senator Macdonald touched on one of these important things, which is air conditioning. Air conditioning takes power to run and a new tax will be placed upon electricity in this country by the Labor Party. I would remind those on the Labor benches that this was the tax you promised never to introduce. You promised that to the Australian people, and it is an unnecessary broken promise because we all know that your carbon dioxide tax is not going to make any difference to the environment.

That brings me back to the cost of childcare centres. I have had experience in this—both my children in an earlier day and
The age attended child care on a couple of occasions per week, and this was done for my wife's sanity. She maintains she needed to get out and do something else on occasions and this was a reasonable alternative. It was very expensive then. The childcare centre that we attended was trying to minimise the costs to families, and so families were asked to pick up a range of additional imposts to help facilitate the operation of the centre—little things that perhaps people take for granted. We were all required eventually to take a piece of fruit for the shared fruit time at morning tea and things like that rather than have the centre itself do it because that would involve formalising a delivery or paying someone to go out and pick it up. So that was a way they could limit the fee increases.

There was another thing they did which I disagreed with fundamentally, but they said it was to reduce costs. That was that they basically diluted the Christmas show into an end of season gathering. They dressed it up and said there were a whole range of justifications, but I suspect it was because they did not want to offend non-Christians, which was just ridiculous and once again an enormous leap into a politically correct society.

One of the important points is that, whilst childcare centres are doing their best to reduce their costs to provide a more competitive service, we have a government that is so keen on increasing the costs of not only childcare centres but every single business. While we know that the government is going to impose this carbon dioxide tax supposedly on the 400 or 500 'big polluters'—you can never get to the bottom of this—we also know that costs are going to flow on everywhere, to every small business. Unfortunately, because so many small businesses are doing it quite tough now they are going to be forced to pass these costs on to consumers. In the case of childcare centres those consumers are families, and families are going to have to wear it. There is no doubt about that. Yes, the government will pay this rebate on childcare costs, but they are capping it and the costs are going to increase, on the government's own figures, I think—it relied on Access Economics—by $8.80 or $9 per week on average for some 20,000 families. Once again, that is an additional burden. I have my suspicions and they have been vindicated or validated by industry, who says the increase is going to be between $12 and $20.

But what I am really struggling to come to terms with, and I want to specifically address the government's amendment here, is that this initiative was originally slated to operate for four years and it was going to save the government $86.3 million over those four years. Of course, as Senator Nash so eloquently pointed out, a saving for the government is an additional cost for families. So there are $86 million in additional costs for families over those four years. This amendment that we are considering, though, is to reduce this savings measure to only three years. So we are reducing the time period in which this bill applies by 25 per cent, and yet the government maintains that the change to three years will still effect a net saving of $81 million over those three years. Over four years the saving—the additional cost to Australian families, who have been ignored over and over again by this government—was $86.3 million, but now the additional cost over three years will be $81 million.

Parliamentary Secretary, I would be interested in an explanation, because it is not contained here in the documents I have in front of me. Why does a reduction in the time period of a full 25 per cent, from four years down to three years, only result in a $5.3 million reduction in the additional cost
you are imposing on Australian families? This is just back-of-the-envelope stuff and you may have more detail—I know you have lots of advisers there to tell you about this. But the back-of-the-envelope stuff would suggest to me, just in round figures, that if you are reducing the time period over which this bill applies by 25 per cent you would have a commensurate reduction in the saving. I must have missed something. Parliamentary Secretary, I would invite you to address that and to perhaps explain why, whilst Australian families have been saved a full 12 months in the application of this flawed bill and this flawed process, this amendment does not save as much money through the reduction?

Parliamentary Secretary, I note you are getting some advice, and I still have five minutes in which to reflect on a number of other issues that are related directly to this bill whilst you are getting that advice. We have to understand that ultimately Australian families are the nurturers of the next generation. While much of the learning and teaching is done at home, and should be done at home, we recognise that child care plays an important role in enabling families to live the lives that they choose, to make ends meet and to climb the aspirational ladder. Sometimes, as in my own case, it provides a welcome respite from the day-to-day tests that young children apply to, in my family’s case, a mother. But having been at home with my children, I know that even fathers can be tested on occasions.

Parliamentary Secretary, I presume you have your advice and are able to answer my serious question which is about, as I will remind you, the reduction in time for the application of this bill from four years to three years, and why the cost savings do not seem to be relative to that time period.

Senator JACINTA COLLINS
(Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:15): Senator Bernardi, in relation to your question about the savings at each year, the year that the delay in this measure means we will miss out on was indeed the year with the smallest level of savings. This is because the difference between the cap and what would have been the indexed cap is the smallest for that year.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (10:16): I thank the parliamentary secretary for her answers. I think the chamber also appreciates the parliamentary secretary being prepared to offer at least some answers to the chamber. While we do appreciate her contribution, and the minister before her, we are still left in doubt. We have not in any way had our concerns alleviated that there are going to be families who have increased costs as a result of this legislation. It is as simple as that. As I said earlier, in spite of the parliamentary secretary’s view that it will be only a minimal number of families, in my view and in the coalition’s view there should not be one family having to undergo a single dollar of increased cost because of this legislation. The reason I say that is this: if this government had managed the economy properly, if they had not got us into $198 billion debt, and if they had not done things like spend $80.9 million on administering an emissions trading scheme that does not even exist then we would not be in the position of even having to be here today. We would not be in the position of having to deal with this legislation because it would not be necessary.

This is the point that is being made in the community: why is child care the place where the government is finding money for, as they said, their savings measure to go to the National Quality Framework? Why
should any single Australian family have to bear the burden of one dollar more because this government is inept and cannot manage money. That is the only reason that this piece of legislation is here. It is a savings measure. It stands to reason—you do not have to be a rocket scientist to figure this out—we would not be debating this if the government had done a better job managing the economy, if the government had not wasted so much money on different things. There is now $33 million going in grants to livestock exporters in the industry because the government completely stuffed up the live export industry by banning the trade.

Senator Adams interjecting—

Senator NASH: I note my colleague Senator Adams, who is here, is a tireless advocate for Western Australia. How stupid was that? So there is $33 million that the government has had to find because of a stupid government decision. The point is that people out there in the community realise that this government has a piece of legislation relating to child care as a savings measure. On the table we have a percentage for how many families will have to bear an increased cost. I ask the parliamentary secretary this, and if she needs to take this on notice and come back to the chamber, I will be most appreciative: we have a percentage of families that the government says are going to have to bear an increased cost, but exactly how many families are going to bear an increased cost at all across the country?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:20): There are a few points there, and some of the points that Senator Bernardi made, that I will address. Some were a bit broader than his specific question going to understanding how the savings actually worked. Senator Bernardi pointed out that when his children were in care it was very expensive then. Indeed, I recall that, possibly about the same period of time. This brings me again to highlight that the cost to families or households by this government's measures have been brought down from 13 per cent to seven per cent. Senator Nash knows this. Senator Nash also knows that if we are committed to a national quality framework, which I remind her is a COAG measure with all states and territories committing to improve quality, then it is incumbent on a fiscally responsible government to look to savings to address those measures. We cannot just sit here with a $70 billion black hole, as is the case in the direct action measures. We do need to look at responsible savings. This government has found these savings and proposed these savings. They have been on the record now for a good 12 months. There is nothing new or astounding in them. The impact on families is relatively limited.

However, this debate has also conflated the impact of these savings measures on the 0.9 per cent of families with incomes less than $100,000 per year who are utilising this assistance up to the cap level and will not receive further than the cap, with the costs associated with the National Quality Framework. I think I need to address that in a bit more detail, since Senator Bernardi raised the Access Economics material. Independent economic modelling from Access Economics, commissioned by COAG, indicates that the expected impact of the national quality framework on any cost increase will be moderate. A family on $80,000 a year would expect to pay an additional out-of-pocket cost—and I stress that: out-of-pocket cost, not fees—of 57c per week in 2010-11, rising to $8.67 per week by 2014-15 for one child who attends full-time care, and we have been through previously how most children attend roughly two days
per week of care. The most extreme example of a child who attends full-time care per week is that, going out to the out year of 2014-15, the cost would rise to $8.67 per week.

As I said to Senator Nash yesterday anecdotally, I am yet to meet a family with children in care, particularly a child under the age of two, that would not be prepared to pay a marginally additional amount of money to ensure they had a better carer-child ratio. The national quality framework measure is delivering that. Families are not meeting those costs on their own. Families will receive additional childcare support through the childcare rebate and the childcare benefit for additional costs they face, and the critical figure is what the out-of-pocket costs would be. The most extreme example in the final out year is $8.67 per week for a child in full-time care. That is what we are talking about. We are not talking about figures such as those bandied around today and previously, the $22 per day; we are talking about $8.67 per week to ensure measures such as a child-carer ratio of one to four, rather than one to five, is delivering better quality care to our children.

Senator BOSWELL (Queensland) (10:26): I should highlight that we are not actually dealing with the carbon tax measures now, so the information you are requesting, which is specifically related to the impact of a carbon tax on childcare centres, is not immediately available to me. Indeed I am not aware of whether we could distinguish between Catholic and other services in that regard. I would encourage you, though, to raise such important issues in the debate on the carbon tax, because, as other senators have pointed out today, cost increases that may occur in child care due to increases in energy charges are an important issue, which is why the government has developed the household assistance and the income support arrangements to support families through any additional costs that may be associated with us putting a price signal on carbon.

Senator BOSWELL (Queensland) (10:27): Thank you for that, Minister. I would have thought that a parliamentary secretary such as you, who is always known for getting across the details of these issues and is highly respected in this chamber, would be prepared for a question which is pretty basic and which you yourself say is an important question on what the costs of increased lighting and heating are and what a carbon tax will cost the childcare industry.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:28): I reiterate the point I made just a moment ago. Whilst we certainly have the details of the cost impacts for the national quality framework, which is what this measure pertains to, and savings in order to assist in the delivery of the national quality framework, this measure does not relate to the carbon tax. Certainly some of your colleagues have sought to utilise that issue to highlight their concerns about cost-of-living
pressures, but this particular measure bears no relationship to the carbon tax.

Senator XENOPHON (South Australia) (10:28): I will not be asking any questions about the carbon tax. I am sure we will have an exhaustive committee stage for that bill when it gets here. I want just to state on the record my position on this bill. In good conscience I cannot support it. I think that it is worth reflecting that the 2010-11 budget provides $273.7 million for the introduction of the National Quality Framework for Early Childhood Education and Care, the NQF, and the commentary is that this framework will involve, amongst other matters, a progressive phase-in of improved carer-child ratios and higher qualification requirements for carers. These are unambiguously good things, and I think that the government needs to be congratulated for going down that path; that is important. But, in terms of good public policy, the measure of capping the rebate is inconsistent with the government's paid parental leave legislation, which I strongly supported, because it will discourage some families, some women, from participating in the workforce. We know that the rates of workforce participation by women in this country are extremely low by OECD standards, and are at their lowest amongst women aged between 25 and 44—the prime child-bearing years. The Henry tax review was asked by the government to make coherent recommendations to ensure appropriate incentives for, amongst other things, increased workforce participation. I think any measure that makes child care more expensive, less affordable, will go against a very fundamental tenet of what the government is seeking to achieve.

It is ironic that on the one hand the government wants to support parents through paid parental leave—an unambiguously good measure—but on the other hand this measure will penalise parents by making child care less affordable when they want to return to work. What modelling has been done by the government to determine how many people will either drop out entirely or reduce their use of child care, which will have employment participation implications, as a result of this measure? What assumptions were made by the modelling? What was the nature of the modelling? Does the government still stand by the modelling that was done? If the modelling was done six or nine months ago, it is fair to say that the economy is in different shape now compared to back then. There are issues involved around what has happened in global markets. It may have some collateral impact on confidence here in Australia and on people being concerned about how they will make ends meet.

I agree with Senator Boswell that the Parliamentary Secretary for School Education and Workplace Relations is very much on top of her brief in this and is very capable in this area—although I do not think it is fair to be asking her questions on the carbon tax in this context. Parliamentary Secretary, what estimates have been made? What modelling has taken place to determine either the expected level of dropouts from child care or the number who will cut back on child care? Finally, is there a concern that people will seek alternative arrangements to reduce their employment participation as a result of these measures? I think they are relevant questions in the context of this bill.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:33): My understanding is that the internal departmental modelling—which is essentially what occurred—was the subject of consideration by the Senate committee when it addressed these matters. I note Senator Xenophon's concerns about what the assumptions were based on. The assumptions were based on the department's existing data
on usage, income levels and payments. Essentially, that was the nature of the modelling work that was done.

In terms of dropouts or usage containment, the assumption is that it would be relatively marginal because you are talking about a cap of $7,500 per year. The main impact will be on people earning higher incomes. In fact, the figure I mentioned earlier is that only 0.9 per cent of families on less than $100,000 per year would have their level of income support affected. Were it to be affected, it will simply be affected beyond that cap of $7,500 in support per year. The likelihood that families will respond to that sort of price signal by reducing their level of care was assumed to be highly unlikely, especially the high-income recipients. Further to that, if you also model out the usual usage of child care then indeed you are looking at families using roughly in the order of two days per week and receiving a little over $2,000 per year in support, and coming nowhere near the cap in this.

These measures were designed to generate savings in a climate where the government is committed to returning the budget to surplus after dealing with the global financial crisis. Indeed, some very hard decisions needed to be made and this is one of those. Some savings needed to be generated in order to move along the national quality framework, which is also a very important priority for this government. I should highlight once again that whilst in ideal public policy terms leaving a cap for a few years, limiting the indexation for a few years is, as has been highlighted, not ideal, these measures are designed to have the most limited impact possible on childcare support and have been designed to effect that most limited impact, particularly a most limited impact on low-income earners. Further to that, if we look at what these measures have succeeded in achieving—that is, the increase to the 50 per cent childcare rebate and the significant increase in the cap level from what had previously applied—we have been able to reduce the cost of child care from 13 per cent to seven per cent of household income. So there have been significant improvements for households and these measures have been specifically designed to have the most marginal impact possible on future support and usage patterns.

Senator XENOPHON (South Australia) (10:37): I thank the parliamentary secretary for her answer. I have some further follow-up questions on this. We will wait and see what happens with the assumptions of the modelling and the studies, but ultimately will the department undertake any monitoring to determine whether usage patterns and dropout rates are being affected? How will that monitoring take place? Is it something that already takes place? I think we will find out pretty quickly. It could be that my concerns are not justified or maybe they are—we will wait and see—but how will we be able to determine the impact of these changes? Will that information be publicly available and subject to robust public inquiry and scrutiny?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:38): The simple answers to your questions, Senator Xenophon, are yes, yes and yes. I mentioned yesterday that the government's transparency agenda for childcare funding, income and support has been significant. That data has now been made available by this government and is competent to assess the very factors that you are referring to.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (10:39): I have two final questions that follow on from Senator Xenophon's
question. Parliamentary Secretary, you mentioned that in the view of the government this is going to have a limited impact. The Australian Childcare Alliance, which is obviously a very well-respected organisation, did research in 2010 which said that the rising cost of child care was going to force 38 per cent of families to consider reducing their hours. I have no reason to dispute that figure. Are you aware of that? Is that something that the minister or you have discussed with the Australian Childcare Alliance? If that is correct it would be extremely worrisome for not only those of us in the chamber but also those out in the broader community. Earlier you made the point that 50 per cent of the increase in childcare fees is covered by the childcare benefit.

Senator Jacinta Collins: No, the rebate.

Senator NASH: Okay. Regarding the impact of the capped childcare benefit, has any work been done on the over-the-cap hours that parents have to partake of for their children? Would any increased costs then be coming out of a family's pockets?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:40): Sorry, Senator, but I missed the last part of that question. Could you repeat that?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (10:40): It was about the capping in the broader context of the increases. If there are increased costs that come out of a family's pockets because there are places over the childcare benefit limit, has any work been done to assist those parents with those out-of-pocket costs?

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:41): I think I need to differentiate between the discussion that I was having Senator Xenophon, which was in relation to these particular measures, and the issues just raised by Senator Nash, which are more related to the cost impacts of the national quality framework and the assessments of those. I think it might be important to make that distinction.

With respect to modelling associated with the increase in costs likely to occur from the national quality framework, it was the COAG commissioned work from Access Economics that I was referring to. Again, given that this was independent economic modelling commissioned by COAG, I think that the veracity of this modelling should perhaps be considered when comparing work done by particular groups within the sector on the potential cost increases. I am aware of similar figures in the past which were in the order of $22 a day, as we talked about today. There were concerns that families, as a consequence of increases of such magnitude, would reduce their hours by 38 per cent. I think my earlier comments dealt with those matters. We have referred to the Access Economics work. We have highlighted that measures have been introduced from the start of this year in New South Wales without such dire consequences. I think I have also made the distinction between the national quality framework and what we are addressing in this bill, which are the savings designed to assist in the implementation of the national quality framework.

We can go back to the Access Economics figures, going up to the year 2014-15, for the increased costs that families will face. I stress that these are out-of-pocket costs rather than fees per day or per week costs, which do not deal with the significant component of government assistance in childcare support. The Access Economics estimate is that the increases are likely to be 57c per week for a child in full-time care.
Again, that is the extreme example; most commonly, it is children in care for two days per week, on average. For a child in full-time care in 2010-11 the increase would be 57c per week. Has the government modelled the likely impact of containing the cap in that respect? I would have to say that the data to do that would obviously be available, but I think I can take it from the nod from my advisor, given what we believe is a reliable estimate of the likely impact, that the 57c per week has not been taken into account in the $7,500 per year cap, nor has the likely impact of that extra 57c per week on the 0.9 per cent of families who are under $100,000 per year been taken into account. I think that just comparing those figures demonstrates that it is likely to be an extraordinarily marginal effect.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (10:45): I have a couple of final questions. I would say that many people are having difficulty accepting the 57c a week figure that you are putting forward when other modelling is showing it is $12 to $22. There is a huge discrepancy between those two things. Perhaps the minister could provide to the chamber exactly the modelling that is used to get that 57c. I am assuming that it was the Access Economics modelling. I would say that there is still a great deal of concern around the fact that other modelling is showing that it is $12 to $22 a week.

Parliamentary Secretary, you have referred numerous times to the fact that the 1 to 4 ratio has been introduced already in New South Wales with little impact. My final question is this: isn't it quite likely the case that it has had little impact, in your view, in those centres because rather than going to the expense of putting on extra staff they have simply cut their childcare places and not incurred the expense that way?
places where previously they would have? Has any work been done on the various make-up of changes that may have taken place to hit the 1 to 4 ratio? Has any work been done across New South Wales, where you have indicated this has already happened, to determine what route, if you like, a childcare centre has taken to reach the 1 to 4 level? If not, wouldn't it be prudent to do so to get an understanding of the changes that childcare centres are having to undertake and whether they are cutting places or putting on extra people. That would be useful information for the government to have.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:49): Under the National Quality Framework we do have trial sites across the country looking at how these transitions are being managed. The outcomes of that work are likely to be available relatively soon, but are not available just now. We are still trialling the monitoring of those issues. As I said, the most critical issue is that, in New South Wales where these measures have been introduced from the start of the year, there is no evidence that there has been a decline in the number of 0 to 2 places.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (10:49): What is the date of the Access Economics report that you have been referring to? I just ask that in the context of ensuring that all the information available has been taken into account for the report. It is quite important that we know when that Access Economics report work was done.

Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (10:50): We are just looking to find the date of that. As I am sure you are aware, these measures have been delayed by 12 months so the date may, indeed, be more relevant to the development of the National Quality Framework rather than these particular measures. What factors might need to be updated subsequent to that, which directly relate to these measures, I am not really sure—other than the obvious economic data about inflation. I understand the Access Economics paper is dated towards the end of 2009.

Senator BIRMINGHAM (South Australia) (10:51): I note that we are moving towards the conclusion of this debate. I have sat in on parts of it and heard this parliamentary secretary and the previous parliamentary secretary make some of their contributions. It is important that, as we move to the end of this debate, the core element of this is not forgotten. The core element of this is that it is not going to do anything to help the cost of living pressures that Australians face. In fact, quite the contrary, it is going to harm Australians, and increase those cost of living pressures. The minister can cite the statistics as to what extent that may be and what families may be affected, but there is no way you can look at this without coming up with the conclusion that there is a negative impact. It is not just a negative impact in terms of putting a freeze on the indexation of the rebate in future years. That is not the only thing that occurs here. What we actually have is a reduction in the rebate. The amendment that the government has had to move to its legislation makes it very clear that there is an effective reduction in the rebate. It is having to put in place a new subclause in this legislation that will ensure a rebate that could have been $7,941 as at 1 July 2010 will be brought back to $7,500. An indexed rebate that would have kept going up from that $7,941 will be brought back to a flat line of $7,500.
We should not forget core principles; we should not forget that this is one of a range of factors in the cost-of-living pressures that are building up on families. Since December 2007 we have seen electricity prices around Australia go up on average by 51 per cent, gas prices around Australia go up on average by 30 per cent, water on average by 46 per cent, education by 24 per cent, health costs by 20 per cent, rent and housing costs by 21 per cent, grocery prices—and in fact this statistic is a little old and they have probably gone up even further—by 14 per cent and, as we have heard in the evidence that has been highlighted, childcare fees since June 2005 go up by 35 per cent. These are massive increases for families doing it tough. Not just is this legislation, this approach of the government, doing nothing to help those pressures; to some extent it will add to those pressures. That is an undeniable fact and an undeniable consequence of what the government is doing here today.

It is critically important that if and when this debate wraps up it is very clear and on the record that this government is for families who use childcare services putting in place barriers, putting in place structures, that will see them face higher costs. That is the clear outcome of it. That is before we get into the carbon debate—and some of my colleagues have raised the point about supporting services, and I think we have lost in this discussion the point I made at the very commencement, which is that all the savings achieved through these measures, which will impact less than one per cent of families, families earning $100,000 per year, are being directed to assist services to deliver the national quality framework. This is not money being taken out of child care. Child care itself, to revisit
Senator Nash's earlier words, is not being used as a cash cow. We are reconfiguring a marginal element of the significant support that has achieved such significant reductions in the out-of-pocket expenses of Australian families over the last two to three years. We are redirecting a very marginal element of that, in savings, towards supporting services to deliver better quality care. Question put.

That the amendments (Senator Jacinta Collins's) be agreed to.

The committee divided. [11.02]

(The Chairman—Senator Parry)

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AYES

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Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
Milne, C
Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Waters, LJ

NOES

Abetz, E
Adams, J (teller)
Back, CJ
Birmingham, SJ
Bushby, DC
Colbeck, R
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Kroger, H
Madigan, JJ

Ayes ...................... 35
Noes ...................... 31
Majority ................ 4

AYES

Arbib, MV
Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Lundy, KA
McEwen, A (teller)
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL

NOES

Adams, J (teller)
Bernardi, C
Boswell, RLD
Cash, MC
Cormann, M
Eggleston, A
Ferravanti-Wells, C
Fisher, M
Humphries, G
Joyce, B
Macdonald, ID
Mason, B

AYES

Arbib, MV
Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Lundy, KA
McEwen, A (teller)
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
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NOES

Abetz, E
Adams, J (teller)
Back, CJ
Birmingham, SJ
Bushby, DC
Colbeck, R
Edwards, S

AYES

Carr, KJ
Coonan, H
Evans, C
Ryan, SM
Ladwig, JW
Boyce, SK
McLucas, J
Ronaldson, M
Wong, P
Brandis, GH

NOES

Abetz, E
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Bernardi, C
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Wednesday, 24 August 2011

NOES
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Scullion, NG
Xenophon, N

Fierravanti-Wells, C
Fisher, M
Humphries, G
Joyce, B
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Mason, B
Nash, F
Payne, MA
Williams, JR

PAIRS
Carr, KJ
Evans, C
Ludwig, JW
McLucas, J
Wong, P
Cooman, H
Ryan, SM
Boyce, SK
Ronaldson, M
Brandis, GH

Question agreed to. Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading
Senator JACINTA COLLINS: I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011
Debate resumed on the motion:
That this bill be now read a second time.

Senator BIRMINGHAM (South Australia) (11:10): Thank you, Mr Acting Deputy President Furner. I think this is the first time I have spoken while you have been in the chair and I congratulate you on your appointment to this position. I rise to speak on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. The coalition is strongly committed to providing Australians with fast and reliable broadband services. However, we believe that the provision of these services should be at the lowest possible cost and certainly should not come via the wasteful destruction of competing platforms. Those opposite, by contrast, seek to construct a $50 billion monopoly provider which locks out competition and locks Australia into a new National Broadband Network, with little regard for emerging and future technologies. It is a grand, shiny promise, but under the facade it is, quite frankly, a disaster that we cannot afford and a burden for the future of Australia.

As we all know, the NBN is a financial black hole funded by debt with completely implausible underpinnings, which will never live up to the scant financial details that have been published by this government. That is little wonder; this is one of the most secretive projects this country has seen. I suspect once, or if, Australians ever get to know the whole financial truth about the NBN they will be horrified. Labor promised of course, before the 2007 election, to 'let the sun shine in' on government. The shutters have been well and truly locked shut on this one. The sun does not shine in on the NBN, which is being provided with all means and all manner of ways to keep its operations and expenses as secret as possible. The NBN seems to be beset by problems, but the government take the three monkeys approach to this one: they see no evil, they hear no evil and they speak no evil about the NBN.

Instead, day after day in question time Senator Conroy comes in here and reads an email he has had from an occasional constituent telling us how wonderful they think the opportunity for faster broadband may be. That is not the debate; the debate is whether this the best way to provide faster broadband.

As Labor look the other way—and I guess they do have so many debacles on their hands—they just do not admit that there could be alternative or better approaches to
this back-of-the-envelope NBN cooked up by Senator Conroy and the former Prime Minister Mr Rudd. But this is an issue that certainly will not go away, because the problems will become more and more obvious as the rollout continues. Senator Conroy disagrees. He argues that this is the best way to do it. But of course in having the courage of his convictions he has failed to subject the NBN to a fair, thorough and independent cost-benefit analysis—to test it and to see whether indeed this is the best way, the most efficient and cost-effective way, to deliver faster broadband services to Australians. He will not do that because he knows that it just does not stack up. Instead, he tries to deflect all attention by continually attacking the opposition.

Senator Conroy, like the opposition, knows Australians want affordable, fast and reliable broadband services. That is something I think everybody in this place is in agreement with. As a coalition we are committed to delivering that, but Labor seem to have forgotten the affordable component. Fast and reliable is one thing; affordable for consumers is another. What we are going to see, it seems, under this NBN are dramatically escalating price rises for consumers when it comes to very fast connections. Yes the government may be trying to put caps in place for the base level connection, but the base level connection is not the premise on which they have sold this policy. It is the very fast connections with which they have sold this policy, and yet we are seeing those very fast connections subject to significant price rises. Just this week it has been exposed that NBN Co. want to have price rises of five per cent above inflation for those peak speeds. They have said they need this feasibility because they are subject to 'considerable demand uncertainty'. They are NBN Co.'s own words, and they go on: Demand uncertainty remains in relation to issues such as the price payable by end-users for broadband services over time ...

Certainly Labor has forgotten the issue of affordability when it comes to consumers. Of course they have also forgotten the issue of affordability when it comes to taxpayers. Taxpayers face a cost of some $50 billion in the end, either through government generated debt or NBN Co. generated debt—and NBN Co. is a 100 per cent government-owned entity so, whichever way you look at it, 100 per cent of the debt that NBN Co. will raise will be attributable to the government. We have a government that out of this $50 billion is going to pay Telstra and Optus to shut down their existing fibre networks. Think about the logic of that—existing networks will be paid to be shut down so we can build something else. This country will be paying for something that already exists so that we can build right over the top of it. Frankly, when you hear logic like that, it is little wonder so many Australians have lost confidence in this government.

Competition at the platform level is equally important to ensure consumers see the low prices that competition usually brings. As I and others have mentioned many times before, consumers are already voting increasingly with their feet, moving to wireless broadband services. With the rollout of 4G services in major cities that is planned and underway, I expect this trend to continue and it will continue to undermine the bizarre take-up assumptions on which the NBN was built and which they now seem to concede are subject to such uncertainty.

This bill specifically deals with the rollout of fibre into new housing developments. We all know that the rollout of fibre is incredibly expensive, and the question in this bill is why would the government seek to again destroy competition in the broadband sector, this time by locking competitors to the NBN
Co. out of the greenfield installation market. You would have thought the government should be seeking the most efficient and cost-effective ways to roll out its monolithic NBN. But, considering the regard it holds taxpayers in, it is no surprise that it seems to be happy to simply waste billions of dollars.

The government has previously said that the greenfield market should be competitive. Indeed, it has said it is competitive—the Department of Broadband, Communications and the Digital Economy is on the record as stating in regard to the greenfield market:

The installation of FTTP is taking place in a competitive context, with developers typically contracting out the provision of infrastructure and services in developments.

Even Senator Conroy himself said just last December:

Providers can compete to provide infrastructure in new developments—for example, by offering more tailored solutions to developers or more expeditious delivery.

Yet the government seems to want to change all of the ground rules and tear up the competition that exists in this marketplace. The government's figures suggest that by 2013 some 250,000 houses on greenfield sites will be built, growing to 1.9 million by 2020. They will have to be connected to the NBN under this government's plan. Many companies currently offer fibre deployment services in greenfield developments. So, we have a situation where we have demand—there are greenfield developments constantly underway and they are forecast for the future; and we have supply—we have companies already providing and building broadband services on these greenfield sites. We have suppliers eager and able to compete to fulfil the demand. But, as is often the case, this government, which acknowledges that this competitive market exists, is saying one thing—that it wants to keep a competitive market—but when it comes to how this legislation will operate it is doing quite the opposite. It is just another example of our not being able to trust this government's word.

This bill provides developers with a choice but, when you look at the operation of it, it is really a Clayton's choice. Developers, in establishing greenfield housing developments, can either fund the fibre deployment in those housing developments through a private provider or they can wait for the NBN Co., as the provider of last resort, to do it for free. With the NBN Co. as a provider of last resort, which will see it pay for key services to be delivered—a cost traditionally borne by the developers—many of those developers will seek to offload those costs on to taxpayers and the NBN Co. Far from being a provider of last resort, because the NBN Co. is offering the cheapest deal to developers, it will of course become the first choice for many of these greenfield sites and developers. Make no mistake, the result of this will be the decimation of the existing greenfield fibre deployment sector. This is Labor's bizarre version of competition—you compete but we the government will offer it for free. We all know what the outcome of that will be. Perhaps Senator Conroy would have realised this anti-competitive bill would kill Australian businesses if he had actually listened to the stakeholder reference group. Senator Conroy promised to listen to stakeholders while developing this policy, but if he did listen he certainly paid no attention to what they said.

On behalf of the coalition I will be moving amendments to address some of the very serious problems, and particularly the anti-competitive problems, in this bill. I will be moving to ensure that industry can establish specifications for the laying of fibre and not simply have to meet NBN Co. specifications, and that NBN Co. provide pits, pipes and fibre on a competitive basis. This will enable private providers to compete
and to continue to offer their services to developers, knowing there is an industry specification that suits all in the industry that they need to meet and, equally, that NBN Co. will not have an unfair competitive advantage over them. This is a sensible amendment which will ensure that Senator Conroy's nice words about competition are matched in this legislation and with NBN Co. in reality.

The amendment we are pursuing will speed up the provision of fibre, with developers not being forced to wait for NBN Co. to do it for free when they finally get around to it. It will allow developers to get on with the job of providing fibre-ready premises and developments to purchasers. You would think this is something the government would want—to get the job done as quickly as possible in as many developments as possible, not to provide the potential backlog that comes with waiting for the monopoly service provider to be the sole provider of last resort service.

While the government should support this, the industry and stakeholders actually do. The Urban Development Institute of Australia said, in relation to the coalition's alternative approach, that this is a 'pragmatic suggestion'. It said:

Whatever brings around greater certainty for purchasers of those properties that all the utilities are actually there and are available and can be handed over to them and the greater that certainty is, the better it will be.

In relation to the coalition's alternative approach, OptiComm stated:

… there would be some advantages in what you are saying to what is currently proposed. That allows diversity in the greenfield.

Transact, one of the major providers of such services already operating right here in the ACT, said that they would support that type of amendment to the legislation. We want private sector greenfield cable operators to be able to stay in business and continue to provide services to their customers. That is why I will also be moving an amendment to enable these operators to stay in business by exempting them from the government's anticompetitive, so-called cherry-picking rules.

We would like to see fibre deployments in new developments not owned or operated by NBN Co. or Telstra but instead owned and operated by the same entity who built them, and an entity able to have and provide retail services by such a competitive greenfield operator to people living in that development. This will provide developers with maximum flexibility and will maintain their important existing business models. This, of course, is not anticompetitive. It will not shut other retail service providers. Such competitive greenfield operators would continue to be subject to the other access requirements which apply under the telecommunication specific provisions of the Competition and Consumer Act. Other retail service providers wishing to serve such residents in a development would have the legal right to access the network of these greenfield operators and to obtain access over their network. It is simply a sensible change to make sure that these operators will not have their business model, which involves being able to build and provide services in these greenfield sites, shut down by virtue of being forced to comply with requirements that the NBN Co. is having to comply with—a much larger, much bigger national entity that is being established in a vastly different way from these smaller and often localised entities. This approach will certainly improve efficiency and flexibility, and I hope that both of these amendments will be supported by all sides of this chamber.
The coalition believe that it is quite sensible and quite logical that this legislation seeks, in greenfield services, to provide for the rollout of fibre. We understand that. Whilst it may be marginally more expensive than a copper rollout, in the long term we think that in greenfield sites it does make sense. But we think it is vitally important that you preserve the competition that can exist in these greenfield sites. It is absolutely critical that private companies that have been rolling out, are rolling out and would like to continue to roll out their own fibre services in these greenfield sites are able to do so and are not effectively shut out of doing so because of an anticompetitive regime that can exist in these greenfield sites. It is a fundamental point of difference. Whilst the government are saying they are standing up for competition in this regard, they are far from standing up for competition in this regard. While saying that they do not want NBN Co. to have a monopoly in greenfield developments, they are in effect setting up a situation where, by default, NBN Co. will end up with a monopoly in greenfield developments. It is just a constant case of this government saying one thing and in effect doing another and, in doing so, having serious adverse consequences that Australia will pay for for many years to come.

The real risk with NBN Co., and the NBN as it is proposed, is that it will limit innovation, limit diversity and limit competition in the provision of broadband services around Australia. The very model has the potential to limit that, but this legislation, in particular, dealing as it does very specifically with greenfield sites, with new developments, quite transparently has the potential to limit innovation, competition and best practised most affordable standards in those developments. I hope that senators, especially senators on the crossbenches, will see the sense in preserving competition in this sector. While the NBN has a solid anticompetitive track record, hopefully this is one area where the Senate and the parliament can stop it from killing off competition. The amendments the coalition will move will deliver flexibility and efficiency for developers, speed up the rollout and take some of the burden of rolling out fibre in new developments off NBN Co. so that they can concentrate on other areas and so that householders and those who purchase land get the benefits of having fibre-ready properties sooner and, hopefully, cheaper as well. NBN Co. can perhaps get on with making this dog of a plan that it has at least work as best it possibly can and, hopefully, at the lowest cost to both consumers and taxpayers.

Senator LUDLAM (Western Australia) (11:30): I rise to make some remarks on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011, and it is not before time. This bill is very similar to the fibre deployment bill that was introduced in 2010, which lapsed when the last parliament was dissolved for the election. Many witnesses who gave evidence for the first turn of the wheel, the first iteration of the bill, pointed out some quite serious flaws, which the government addressed and then served up something quite different. The similarities are that the bill answers questions about what will happen to what is being built while that rollout is occurring? What will happen to the estimated 1.9 million new premises that will be built while the NBN is being rolled out so as to ensure that we do not leave those people behind? The whole
point of the first iteration of the bill and this one is to ensure that new developments have access to fibre technology as they are being built. That, of course, reduces the cost of retrofitting, which is estimated to be roughly $1,300 a lot or unit where no passive infrastructure has been supplied. I did not detect anything in Senator Birmingham's comments that undermined the general premise of the bill. Let us not leave people behind. And let us not send technicians and people back down streets that have only just been built in order to dig trenches to put in the infrastructure when that could have been done at the time.

The key distinctions and differences between this bill and its predecessor are that this bill sets out the key requirements and does not leave tasks to subordinate legislation, and so we have a much better idea of where the government is heading and we will not need to wait for the regulations. That is largely, I think, because of the timing. Some significant issues that were not resolved in 2010 have since been resolved and clarified. Obviously, senators will be very well aware that this year has seen a number of major milestones, including at least, and most obviously, a better definition of the heads of agreement. While that has not been put to Telstra's shareholders, I think there is a general sense now that we know where this whole process is heading, and that of course is crucial to NBN Co.'s understanding of how it will access existing infrastructure.

Teething problems that were experienced when NBN Co. was very new and when the government and Telstra were in negotiations have now been greatly clarified. The bill, therefore, sets out that NBN Co. is the infrastructure provider of last resort in new developments. A developer can choose another entity if they so wish, or NBN Co. is the infrastructure provider of last resort. I think this sets to rest most of the objections that the development community raised in their submissions to the inquiry into the first version of the bill where it was left up in the air and there were concerns expressed that developers would have to pick up the cost or, indeed, householders would have to pick up the cost. It is very important that that has been set to rest. Developers and property owners will now be responsible for doing the trenching and ducting, and Telstra services will infill developments of fewer than 100 premises, until the NBN fibre rollout takes place and reaches those areas. Developers can use any fibre provider of choice on the proviso that they meet NBN specifications and open access requirements.

I have some sympathy with some of the points that Senator Birmingham raised earlier. The bill does provide for what would look like a very fluid market and competition at this wholesale level in the greenfields area, but in fact I think it is quite unlikely that we will have a particularly liquid market. I think it is going to settle fairly rapidly into a handful of providers, chiefly NBN Co. and Telstra and a couple of the other incumbents, such as TransACT, who obviously still have a very important role to play. But I do not think we are going to be seeing vibrant competition in this layer. Unlike Senator Birmingham, who appears to be promoting competition for the sake of it, I do not think that is necessarily going to be as problematic as the coalition are making it sound. The bill tries to ensure that developers have fibre-ready passive infrastructure, which is just a clever word for the holes and ducts and so on for the cables to be installed, for the future provision of fibre for use by any fibre provider. NBN Co. will not be charging developers for the installation. I think it is a much more elegant solution than the first bill, which, as I have said, left a lot of things up in the air.
As we flagged during the committee process, we are not inclined to support the opposition's amendments to this bill but perhaps not for the same reasons that we have not supported a number of coalition propositions to NBN related legislation. Mr Turnbull, the member for Wentworth, was sent on a mission by Tony Abbott to just smash this thing up, just destroy the network and make it into as much of a political liability as possible for the Gillard government. That is a very important reason why the coalition are not sitting on the government benches at this time. That extraordinarily destructive attitude towards a really important piece of infrastructure for this country, including, you would have thought, for the constituency of the National Party, made it much easier for the regional Independents to cast their votes when the time came. But I think the coalition's position has shifted. I do not think the amendments that Senator Birmingham is proposing here are in the order of the kind of sabotage that has been attempted over the last 12 months or so. At every opportunity, the coalition have sought to derail the rollout of NBN Co., and I think these amendments are something of a different order. They are an inelegant and unworkable solution to what is probably a genuine problem, and I will speak more on that.

In the dissenting report, the coalition agree that it is highly desirable to encourage the rollout of fibre in new developments—so far so good—but then they go on to propose a number of measures that complicate rather than simplify the process. I will speak in more detail on them when we come to the committee stage of the bill. It was interesting that the language in Senator Birmingham's speech gave away the reason why we will beg to differ when we come to vote on the coalition's amendments. He said that, even if the government provided a cheaper and easier solution for developments, nonetheless competition would be more important. At that point I thought there was something really deeply jarring there in that we would be seeking to promote the principles of competition even if there was a more elegant solution in just having NBN Co. and then, by extension, Telstra providing most of these services, which would make it cheaper and easier. What exactly would the benefits of competition bring to an equation in which it is cheaper and easier for developers and, of course, for the people who are moving into these new estates? Why would we be promoting competition if it made it more difficult and more expensive, which is obviously the logical conclusion?

There are some things for which setting up the free flow of markets is very good—and at the retail level for the NBN project, that is exactly what is going to happen. Telstra might think that they are the incumbent, but I actually think that, in the RSP market and in the provision of services to people at the retail level, we are going to see vibrant competition. But just as we do not want people rolling out a parallel network of roads or powerlines to promote competition, I think that the hardware layer needs to stay in public hands and that the competitive aspects of that layer will be at the margins. They will be in wireless provision and, to some degree I think, in greenfield provision. But it is not the main game and perhaps it should not be.

The NBN Co. has been designed as a natural monopoly. We do not want other providers running parallel ducts down people's roads and ripping up people's gardens just to ensure that the principles of competition are met. I think the government has the hardware layer and the wholesale layer quite right. This goes back to the debates which we have been having over the last 24 months or so on the disaggregation of
Telstra and the structural separation of the wholesale and retail arms. All this bill is really doing is bringing that process to a logical conclusion, with some carve-outs for incumbents like TransACT who have already made themselves a legitimate space in the market and have actually been doing quite well, as have a number of other providers.

The NBN is a very large project and with projects of this size transitional arrangements are going to be necessary. As much as we would have liked the NBN to be in place today, it is not possible to simultaneously extend it to all Australians nor is it possible to extend the NBN to all small developments across the country. There is quite a delicate balance to be struck here between not wanting copper to be installed in greenfield developments, which is then going to be ripped out in 12 months time when NBN Co. comes past, and not forcing NBN Co. or other fibre providers to, effectively, run exhaustively long extension cords out to places which are nowhere near the first and second release sites of NBN Co. We recognise the difficulty which is inherent in the transitional arrangements—that urban expansion is occurring at the same time as we are undergoing this enormous retrofitting operation. Some balancing needs to be done.

The NBN will provide 93 per cent fibre coverage to Australian premises—to homes, to schools, to businesses and so on. The fact that the coalition are still out there trying to bring this project down is just a source of unceasing amazement. I would have thought it would have been fairly clear that the outcome of the last election, for the first time in my experience, hinged on communications issues. I think that is a really healthy thing in this age in which the communications sector and everything that it underpins makes up such an important part of our economy and brings us closer to the rest of the world as our region lights up and as the rest of the world lights up.

I think this is exactly what the Australian government should be doing and it rolls back some of the cloudy and very confused rhetoric surrounding the provision of what are, effectively, utility services—that the market will take care of it. Some things the market takes care of very well and some things it does not. If the market had been able to take care of it, we would not need the NBN—because it would have already happened. The Nationals supported the full privatisation of Telstra. That was meant to bring perfect competition along so that the free market would take care of everything. Instead, of course, the obvious happened—the profitable areas of our cities and towns were very well served and, in some cases, overbuilt with competitive infrastructure. But the regions were stranded. We predicted that that would occur and that was exactly what did occur.

If you are going to provide infrastructure of this kind to regional areas, it is going to be more expensive. Then you have a choice. Do we want to make it more expensive for customers in regional areas to access this infrastructure—in which case, just let the market rip and fibre will go out to where the market can afford it—or do we want to do what we have done with electricity, with water, with transport infrastructure and with gas, where it has been reticulated, which is make sure that everybody in Australia gets to pay the same no matter where they live? There will be some disadvantages to living in regional areas that no amount of infrastructure will be able to eliminate. Not every town is going to have a big teaching hospital and not every town is going to get the hardware for the fibre for the NBN. But the very least we can do, I think, is make sure that it costs the same to access these services no matter where you live. If you are
going to do that, the cities are going to need to subsidise the bush. It was uncontroversial when we did that with water, electricity and transport. I do not see that it should be controversial that we are doing it with communications, particularly given the importance of this sector.

The other thing which I think the opposition continually forgets is that this is not a public investment which will pay for itself in time. NBN Co. is not a government department. It is a corporation which will run for profit. But it will run for profit with the imprimatur of shareholders who hold seats in this parliament. As senators are no doubt aware, and as Mr Quigley of NBN Co. is no doubt becoming quite weary of, we can call senior levels of NBN management into estimates committees or the joint committee which was set up to watchdog this project. We can keep the company on a tight leash in a way that we could not with Telstra once we had flogged it off—and I do not believe that any amount of regulation could have prevented the kind of gaming of markets which we saw with Telstra. I think that is the great advantage of the Commonwealth building this infrastructure and, in a very conscious and premeditated way, subsidising regional areas to get this world-class infrastructure. How the National Party have found their way to opposing something like that, I am absolutely at a loss to explain. Perhaps Senator Joyce can explain that for us. We have here a model which, for the first time, will actually bring world-class broadband—it will leapfrog us ahead of a number of other countries—not only to the inner cities, not only to central Melbourne and not only to Fremantle but to the remote Aboriginal communities in the north-west of WA, to regional communities in Tasmania and to places that cannot even get dial-up at the moment. I think that is a profoundly important project.

There are a number of reasons why many people in here are hoping that Tony Abbott is not successful in his project of just smashing the government and getting an early election. One is that, I think, the NBN would be a casualty. I hope that the phone lines in National Party offices and in the offices of regional MPs are ringing and that people are saying, 'What on earth are you doing trying to pull this project apart?' Arguably, its opposition to this project cost the coalition the Treasury benches and I plan to make absolutely certain that people are very aware that this project hangs in the balance. I do not think it is yet at the stage that, if there were a change of government, the NBN Co. would survive. Mr Turnbull has already drawn up plans for the potential privatisation of a highly fragmented network that simply has not reached anything near its fullest extent and to somehow hand over buckets of money to private providers to fill the gap. It did not work in the 13 years that the coalition were in government last time and I cannot imagine why we think it might work now.

This is not an antimarket position either. The free market and competitive markets will have a very healthy role to play at the retail level. But I think it is time now to just get on with the job of the volume rollout. The joint committee will be an able watchdog and so will the other institutions and levers that this parliament can bring to bear. Let us get on with it. I look forward to debating some of the coalition's proposals which, unlike some previous amendments that we have seen, have been advanced in good faith. I look forward to the long overdue passage of this bill.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (11:45): It is great to have the minister in the chamber today during what must be a very touchy time for the Australian Labor Party. I am
sure the minister has complete confidence in his capacity to get the NBN out—'complete confidence' are words being used quite a bit around here lately. I am sure he has complete confidence in the government's capacity to reach a surplus, complete confidence in the carbon tax, complete confidence in the NBN and complete confidence in the member for Dobell.

At the outset, it is important to acknowledge what we are looking at here: the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011 in the guise of the Labor Party's NBN. The difference between the Labor Party and the coalition is not that we do not believe in broadband; it is that we do not believe in $56 billion of debt. We believe in fibre to the node. They believe in fibre to just about any place they can point a stick at. They believe that the only way to pay for it is to remove themselves from market principles, create a monopoly and, in the meantime, borrow the money. And if they cannot pay it back, they just put it on the credit card bill along with all the other debt—another issue that is in the news at the moment.

The coalition will be proposing a couple of amendments to this—

Senator Conroy interjecting—

Senator JOYCE: He is awake. I have complete confidence in the minister—complete confidence, like the complete confidence they have in the member for Dobell! I have complete confidence in the Labor Party! I might go to a few of the allegations being made by the minister. The minister talks about his belief in unit pricing. The National Party believe in unit pricing and that is why the National Party moved an amendment to have unit pricing on the download speed—true unit pricing. But what we got from the minister was another swindle where they only told half the story. 'Half the story' is another term you hear to describe what the Labor Party say. They tell half the story. They do not tell the full story about what actually happens.

On this the Labor Party have three silos: the fibre silo in the urban areas, the wireless silo in the rural areas and the satellite silo. And they all have different costings. The people who will pay the most are the people in regional areas—that silo. So the government do not really believe in unit pricing and that is why they voted against the amendment to bring about unit pricing. As we know, the Independents, Mr Windsor and Mr Oakeshott, supported the government in making sure that regional areas did not get true unit pricing. So we can dispel that one.

Now we have a piece of legislation that is going to bring about a new monopoly. In the past, under the coalition one of the great reductions in the cost of living came about through telecommunications where there was a 20 per cent reduction, I think, in the actual costs. But, now, the crowd opposite—the complete confidence crowd—have legislation that will allow the NBN to charge five per cent above the CPI. The reason they are doing that is that the numbers do not actually stack up. It did not take too long to find that the numbers do not stack up. Who are they charging this to? In this new monopoly, everybody will have to be part of it and connected, and they will be ripped off.

I notice shadow minister Malcolm Turnbull has said that the NBN only has 50 customers. Even I found this number to be so incredibly ridiculously small that I had to ask my staff to check it. Surely, it cannot be that bad. There cannot be just 50 customers. Surely, this $56 billion enterprise cannot have just 50 customers. But I think it is true: they only have 50 real customers. Remember the launch in Armidale where they all put their hands on the button with Julia Gillard?
I have complete confidence in Julia Gillard! I have complete confidence in the Prime Minister! She has complete confidence in the member for Dobell! We have the minister—

Senator Conroy: The one over there!

Senator Joyce: The out there minister; the minister out there—I should say, Minister Stephen Conroy. In Armidale, there was Minister Conroy, the Prime Minister of Australia, Julia Gillard, the Labor aligned Independent, Tony Windsor, and a few other people, and they all put their hands on the button. Down the button went, but the trouble was that the button was not connected to anything. The seven customers there were actually connected beforehand. What the button actually did, God only knows, but it looked really good. It was right up there with the 'Hour of Disney'—lots of flashing lights! I have complete confidence in what happened up in Armidale! But now we have to have complete confidence in the Labor Party and the NBN. With the investment of the Australian taxpayers' money in this process there has to be some sort of purpose to what we are doing. We do not, in the coalition of the National Party and Liberal Party, not believe in fibre; we absolutely do if it is fibre to the node and not fibre to every house. Let us clearly spell that out. We are having huge advancements now in wireless—

Senator Conroy interjecting—

Senator Joyce: I have got complete confidence in your capacity. There are a number of amendments we will be looking at under this telecommunications legislation. One is where they are trying to bring in this sort of new monopoly to squash out of the marketplace independent providers who go into a residential area to install fibre. We believe in small business, and small business has the capacity to do that. Our amendment goes to making sure that we do not lose those independent providers of the installation of fibre. And it does make sense that as new subdivisions come on site that people look at the installation of fibre—

Senator Conroy interjecting—

Senator Joyce: What are you saying? I have complete confidence in you, Minister. The Prime Minister has complete confidence in the member for Dobell, and I have complete confidence in your story. The member for Dobell is telling the truth; I have complete confidence in that! There is no doubt about it: somebody broke into his house and stole his credit card, his licence and his phone, and they drove down to Surry Hills. They managed to make a few phone calls on the way. I hope the phone did not have a code lock on it. They must have known the code. That thief looked awfully like Craig Thomson and signed something with a signature that looked awfully like Craig Thomson's signature, and then after a certain transaction, which we will not go into because it will scare the kiddies, went back up to Central Coast at which point in time they must have broken back into the house and put everything back where they found it. That is a marvellous story and the Prime Minister has complete confidence in that story! And I have complete confidence in the NBN! I think it is going to work! It is a plausible idea! I have complete confidence in their capacity to bring the budget back to surplus!

Let us go into this confidence trick, because that is what we have got. It is absurd that we are now going to lock ourselves into a place where a monopoly is going to have the capacity to jack up prices and basically rip it out of the consumers. That is not a good outcome. It is also not good that we have a monopoly going in and basically knocking out of the market the private providers of fibre rollout. That is obviously a
very bad outcome. I am glad to hear that the Greens are considering those amendments. We will not lock them in. But I am glad to see that they are considering them. I am sure that—and I do not want to say with complete confidence—in due course you will make your mind up about them.

We must also make sure that the Labor Party are truly held to account over the fact that they have not brought unit pricing to regional Australia.

An honourable senator: Are you voting for these?

Senator JOYCE: You can have complete confidence that you will find out. Unit pricing is an issue that the Labor Party voted against and the Independents voted against. Did the Greens vote against unit pricing for regional areas? I am not quite sure whether the Greens voted against unit pricing for regional areas. They made a speech about unit pricing for regional areas. They actually believed that people were naive enough that they could pull the wool over their eyes. Unit pricing in the delivery of a product is obviously download speed. That is where you should have the unit pricing. You did not believe in that; you voted against it. Your credentials on unit pricing and parity and fairness are there for all to see in the way you voted on amendment (2) on subsection 151 DA(6). That was it and you voted against it.

An honourable senator: The amendment was written in crayon!

Senator Conroy: It was red crayon!

Senator JOYCE: Red crayon, was it? I have complete confidence that it was in red crayon—absolute and complete confidence a la the Prime Minister! We will be moving some amendments which will, hopefully, try to make sure that we keep the providers of fibre rollout in the market. It is a viable sector, and that viable sector should have the capacity to continue.

I do have concerns about the debt that this is going to leave us with. It is vitally important that you understand that if we cannot pay back this debt, the Australian people are going to pay it back. All the money is being borrowed. You have got to have complete confidence in the Labor Party. What was I saying about the member for Dobell? He is a great asset to us! Stick by him! Stay with him! Do not let him out of your sight! Do not let the CT scan out of your sight! You just stay right next to him. I want you in every photo, holding him, arm in arm—oh, maybe not! Stay close by him; he is a great asset for us.

The coalition is proposing an amendment to impose cost discipline on NBN Co. This amendment will require NBN Co. to purchase at a set price any network from developers who have had other NBN competitors install that network. If this amendment is successful then NBN Co. will not be able to charge a fee greater than that set under this agreement. This will have the effect of regulating the cost to developers of having to install fibre developments in greenfield sites. Just as NBN Co.'s prices will be regulated when supplying services to brownfield sites, there should be oversight of its supply of fibre to greenfield sites as well.

The coalition proposes an amendment to preserve competition for those who currently have new fibre infrastructure. This amendment would exempt those providing...
this infrastructure from part 7 and part 8 of Telecommunications Act 1997. Those parts of the Telecommunications Act are fundamentally anticompetitive. They prevent fibre network owners, other than the NBN, from providing a superfast carrier service to residential or small business owners so the Labor Party have to revert to such anticompetitive practices. Apparently it is to provide more competition in the telecommunications marketplace. That is what they said. They said they were going to provide more competition but they have instead provided a monopoly. Now that they have the monopoly in place, as we said they would, they are legislating the five per cent above the CPI increase in the pricing so they can rip the people off. That is what they are good at.

They have to protect the NBN business case. The NBN's business case is another thing that I thought the Prime Minister might have complete confidence in. Where was the cost-benefit analysis before they went into the largest capital infrastructure process in our nation's history? I do not know where it is, but I tell you what: when Minister Conroy leaves this place, he will be the best salesman for vacuum cleaners that this nation has ever known. He will have a boot full of vacuum cleaners and he will be ready to sell, sell, sell. This man will be unstoppable. He will slay Amway; he will slay Reader's Digest. He will be the best door-to-door salesman.

How he ever managed to get this through ERC I do not know. I just do not know what happens in the Labor Party. Did he walk into the Expenditure Review Committee and say: 'I'm about to launch on this nation about $56 billion worth of expenditure. We could build hospitals galore, up and down the coast and everywhere, and inland rail. We could build so many things: dams, roads—you name it—but we are getting ourselves a telephone company. We have already got a few of them but we're going to get another one'? And he did it without even a cost-benefit analysis. He told us the story about how he waited for the Prime Minister of the day, Kevin Rudd. Julia Gillard had complete confidence in Kevin Rudd! He waited for the former Prime Minister of this nation, before they got rid of him, and jumped on a plane with Mr Rudd, and that is how he got this through. That is how we have ended up with a new telephone company, which is actually an old telephone company. In fact, it is the same telephone company; it is just a much bigger monopoly. Then he decided he was going to put fibre into every house, every shed and every toilet in the nation—everywhere you go there will be fibre. It will just be a fibre wonderland out there. The trouble is that it is going to cost the earth.

*Senator Conroy interjecting—*

**Senator JOYCE:** You should have complete confidence in it. I have complete confidence in you! So we had Optus, we had Telstra and we had other providers, and now we have the NBN, which is basically coming in as the new monopoly. We are closing down the ones we have. They have made an absolute killing because they saw the minister coming and they have leased him back the pipes and the trenches. They actually still own them. It is only a matter of 19 years and they will get them back. It is so pathetic that if you did not laugh you would cry. All they got were 50 customers and it cost $50 billion plus. That is a billion dollars for each customer. What a bargain! What an absolute financial genius! They are incredible. What a great deal!

You should recommend yourself to the Australian people at the next election on how you have gone with the NBN. I am sure they will have complete confidence in you, just like the member for Dobell. It is just bizarre. But, with the expenditure of the nation's
money, the coalition have to make this thing, wherever it goes, work. It is not that we do not believe in fibre, because we do. We put about $8 billion on the table in order to get it to the node. We just do not believe in running it to every house, because we cannot afford it. We have $197 billion in gross debt. Last week that debt went up by $2½ billion—that is $2,500 million in one week. Our nation is just going down the tube. Everywhere you look, everything they touch is just manifest in incompetence, and that is reflected in their polling. If somebody said, 'What do you think of the NBN?', I would just say, 'I believe that the Prime Minister of Australia has complete confidence in it.'

Senator IAN MACDONALD (Queensland) (12:04): I am very pleased to enter into another debate on Australia's broadband network, which, had the coalition not been defeated in the 2007 election, would have been up and running by now. All of the elements were there. The money was put aside. We would have had a national broadband network based on fibre, wireless and satellite, and it would have been operating now, whereas the best that the Labor Party could tell us about their proposals was that they hoped it would be up and running by 2008 or 2010. I think anyone with any knowledge of the industry would have been aware that it was going to blow out beyond that. The Labor Party, and the minister in particular, keep saying that the coalition is opposed to a national broadband network. Nothing could be further from the truth. That is not to say in any way, quite the contrary, that we are against a national broadband network. But we are against the $55-plus billion network that Senator Conroy accepts total responsibility for.

People will not be able to afford this network. You do not have to be Einstein to do the figures—let me do them on the back of an envelope. We have a total cost of $55-plus billion, and rising. There are 22 million people in Australia. Divide one into the other and see what you get. Senator Conroy promised us that NBN Co. would make a profit, would pay interest on its debts and would give a return to the government. Then they were going to sell it, much to the chagrin of Senator Ludlam, who is the honest socialist in this place—he wants to keep the NBN in government hands forever, but he is open about that. Senator Conroy pretends he is not a socialist—he is going to sell it to private industry. Which private
industry will pay, by the time it gets to that stage, more than $100 billion to buy a facility servicing less than 22 million men, women and children in Australia? The mathematics just do not stack up. Senator Conroy knows that but he will keep saying, 'Yes, it will make a profit; yes, we will sell it off'—but nobody will buy it, and he knows that.

The only way this service will continue in Australia, should Australia be unfortunate enough for Labor to remain in government, will be with massive government subsidies that will continue for as long as I live and beyond. It is the only way it will work. We have had the example, Mr Deputy President, in your home state of Tasmania, where the NBN was giving its part of the service away for free, and the retail service providers were still charging what Telstra and Optus used to charge pre-NBN. How can you run a $55 billion service if you are giving it away free? Since then they have moved on. There are some prices around and about, but prices are creeping up. People are saying that they are not good prices; they are prices they used to get under the old system, and the speeds are about the same. Even under the old system, as Senator Conroy well knows, you could get 100 megabits per second if you wanted—you just had to pay for it. It would have cost a lot of money, but not as much as the NBN will ever cost you.

Senator Conroy interjecting—

Senator IAN MACDONALD: I hear the minister call out about someone from Townsville. Anyone who gets a $55 billion service provided for free will be happy. Give me a $55 billion service and do not charge me for it and I will be very happy—I am sure it would be good. Unfortunately, when people in Townsville—or in Lismore or in Tasmania—finally work out the real cost of this, they are not going to be interested. And this is at a time, I might say, when the cost of living for all Australians is going up day by day. Once we get the carbon tax, which will increase the cost of power by anything up to 15 or 20 per cent, the cost of living is going to go up again. People will simply not be able to afford Senator Conroy's $55 billion white elephant.

I will come back to that if I have time but I do want to move to the bill before us. It is all about installing fibre into greenfield sites, which is common sense. I think everyone thinks that is a good idea. But the old socialists sprout the rhetoric that there will be competition; people are going to be competing so we will get the best service because competition brings the best results—and it does. Senator Conroy has publicly stated that the greenfield policy would be determined with input from a stakeholder reference group, including operators who would be able to tender for contracts to build, operate and transfer greenfield fibre networks to the NBN. Senator Conroy issued a press release in April last year, stating:

Since April 2009, the Government's fibre in greenfields policy has been the subject of extensive consultation, including a discussion paper, input from a Stakeholder Reference Group, one-on-one consultations and release of an exposure draft ...

The position paper released today builds on consultations with the Stakeholder Reference Group to assist with the implementation of the policy.

In a further statement on 9 December last year, Senator Conroy said:

It has been a consistent feature of the government's policy in new developments that there should be room for competing providers. This continues to be the case ... Providers can compete to provide infrastructure in new developments—for example, by offering more tailored solutions to developers or more expeditious delivery.
What has happened to this great commitment to competition? On 13 March this year NBN Co. issued a press release referring to an agreement signed with subcontractor Fujitsu and its construction partner Service Stream: 

... Fujitsu will manage the design, construction and associated works for the development of fibre to new developments.

Great competition! No doubt Fujitsu is a good company, and it is no doubt capable, but they got the nod to put in NBN's fibre. What happened to the competition, Senator Conroy, that you issued media release and media release about? What happened to all your pious statements in this chamber and elsewhere about the great benefits of competition, when at this hurdle you roll over and give it to one contractor? It is the same with the NBN. We did not like the old telecom monopoly. We saw how far behind our telecommunications were, so we brought competition to the telecommunications industry. Thanks to the Howard government, the number of new services in the last decade or so has just exploded. That was with competition. What does Senator Conroy do? He brings in the biggest monopoly of any sort that Australia has ever known with this $55 billion-plus edifice.

I was talking about industry consultation. Let me demonstrate the sort of consultation shown by Senator Conroy. I have a copy of a letter addressed to Senator Conroy and it states:

Firstly, can I applaud you sir on your manipulative, sneaky, underhanded attack on our Shire. With one letter you have reinforced in my mind that the Gillard Government is unfit to govern this great country of ours.

Your statement in the letter, and I quote: "I have been in regular contact with Carpentaria Shire Council about the upgrade of its retransmission towers"—

the mayor says in his letter—

is a blatant untruth.

The mayor concerned is Councillor Fred Pascoe, a very intelligent, able and capable mayor of one of the biggest shires in Queensland—up in the north-west of Queensland, incorporating Normanton and Karumba—and that is what he says in a letter to Senator Conroy: 'Your statement, Senator Conroy, is a blatant untruth.' Fred Pascoe is not the sort of person who makes statements for any purpose other than the truth.

Senator Conroy interjecting—

Senator IAN MACDONALD: You are saying that Councillor Pascoe is in the National Party. I do not know what political party Councillor Pascoe is in, if he is in any. I suspect he is not, but he is very well respected—an Indigenous leader, I might add, but that is almost irrelevant to this—and the popularly elected mayor of this council. He is not one of those given to hyperbole or one who ever takes part in the partisan political debate.

He is furious at the way Senator Conroy has 'consulted' on the analog-digital conversion. It is a different issue to the one we are debating, but I mention it in the context of competition and consultation—which I have been talking about in relation to this bill—that Senator Conroy talks about. Here is Mayor Fred Pascoe telling Senator Conroy that he tells 'blatant untruths'. Senator Conroy in that regard is following his leader, Ms Gillard, who you will remember a year ago promised there would be no carbon tax under a government she led and then a few months later did the exact opposite. Senator Conroy clearly is following the standard set by his leader.

In his letter—which I am sure Senator Conroy has and will be aware of; it is published today in a newsletter in Karumba, so I am not giving away any secrets here—Councillor Pascoe goes on to say:
You told us that analogue services will be switched off come 2013 and that you will not be funding Councils to provide the upgrade to our retransmission towers to provide FREE TO AIR television to our residents.

And basically that is all you have told us.

Why have you not provided us with the answers to our questions, such as:

- What is the real total cost to households after the satellite subsidy?
- What is the cost to caravanners who represent a major tourist trade for our area?
- Who will organize the installation of the Satellite dishes required?
- Will your Government organize contracts for the maintenance of such infrastructure?

Here is a telling question, Senator Conroy:

- Why do towns like Normanton, Karumba, Burketown, Croydon, Georgetown, Julia Creek and Richmond have to pay for "FREE TO AIR TELEVISION" when towns like Mount Isa, Cairns, Townsville and virtually every other city/town on the east coast of Australia do NOT have to pay one cent?

This letter goes on to say:

- Why is your Government wasting taxpayers’ money in providing an inadequate subsidy to households when it could spend substantially less by funding the upgrade to our retransmission towers? If the towers are converted to digital, householders will only need to buy a set top box from as low as $40 per TV, rather than spend somewhere in the vicinity of an extra $300 for the installation of a satellite dish, after you have provided the subsidy and another $279 for every additional TV in the house.

The response—or should I say silence from you and your department—has been deafening.

Councillor Pascoe goes on, in frustration, to say to Senator Conroy:

I would have preferred that you have spent your energy in sending a letter to all householders answering some of the questions above rather than shoving the blame on the Carpentaria Shire Council on your unfair decision to make towns in the bush pay for "FREE TO AIR TELEVISION".

If you know Fred Pascoe well, you would understand why he says at the end of his letter, 'I hope you sleep well at night, sir.'

Senator Conroy is not a bad fellow. You might remember, Senator Conroy, you helped a little bit with the Karumba airstrip. That is in this shire. As far as the rest of us are concerned—I do not know about in the Labor Party—we know that you are not an evil man. I think you have the best interests of the country at heart. Because of the background of Labor Party ministers, you have absolutely no idea of business and money—if there is a problem, just throw someone else's money at it. You will never have to pay; you will just get the taxpayers to cough up a bit more.

I raise this in the hope that Senator Conroy might go back to his office, send a bullet through to his department and office, and get some answers for Mayor Pascoe, his council and the people who live in this remote community. I know the transmission towers are an ongoing issue, Senator Conroy, but you have not been listening. You have been working through the principles on the basis of what happens in Sydney, Melbourne or Brisbane, or even Toowoomba or Armidale, but these are very different communities. I know you have been up there, so you should understand. In this, my contribution to the Telecommunications Legislation Amendment (Fibre Deployment) Bill, I urge you to get some answers for Mayor Pascoe and his community. You will understand from the tone of the letter, most of which I have read into the record today, that this is not a whinge. It is not a political comment but a genuine plea from some very disadvantaged people for a little bit of help. It will not cost you much money, Senator Conroy, compared to the $55 billion you are wasting on the NBN. This would cost you a
pittance. I ask that you address those concerns at the same time that you take some notice of what Senators Birmingham and Joyce have said, and what Senator Humphries will say, in the chamber about how you got this deployment bill wrong. The coalition will be moving amendments in the committee stage and I hope you will see the merit in those and perhaps support them.

Senator HUMPHRIES (Australian Capital Territory) (12:25): I am very pleased to contribute to this debate on the Telecommunications Legislation Amendment (Fibre Deployment) Bill and I respectfully adopt many of the comments made in this debate by my colleagues Senators Macdonald, Joyce and Birmingham. The concerns that the coalition have about the entire structure of the NBN rollout remain real concerns. I think it is fair to say that it gives us no pleasure to describe the kinds of expensive pitfalls—Senator Conroy interjecting—

Senator HUMPHRIES: I will come to that, Senator Conroy—have patience. I do not relish the thought that this might go terribly wrong and that we might find enormous costs being visited on the Australian people to clean up the mess that Labor has created with this. However, it is important to put on the record the concerns that we have and to hope that the government will pay some, albeit slight, attention to the issues that the coalition are raising here. We do have experience in rolling out important new technologies while in government, and it is important to make sure that we have the capacity to work for the best possible outcome for the people of Australia.

I want to start by raising a specific issue to do with the ACT. The legislation before the chamber is principally designed to provide a platform for the government to deploy fibre as part of the NBN, particularly in greenfield sites around Australia. It is extremely important that we establish a good basis for fibre to be available to people moving into greenfield developments around the country. Getting that infrastructure right from day one is important. In broad terms, as we have heard already, the coalition supports ensuring that infrastructure is available in a way which minimises the cost of residents retrofitting those areas later. In respect of deployment in the ACT in greenfield sites, that is largely happening already. I do not think there have been any greenfield developments for some time in the ACT that have not had proper allowance made for the rollout of broadband to all of those new areas.

My concern today is particularly about the retrofitting of broadband infrastructure in established areas of the ACT. I understand that the minister or the NBN regime will have considerable powers over the way in which that infrastructure is outlaid. In particular, I understand that it will be possible, if required, for the NBN rollout to occur in spite of, or at variance to, arrangements under local planning laws for the provision of cabling and other infrastructure requirements of the NBN. That maybe an issue that is relatively easy to deal with in some parts of Australia, but I can assure the minister that it will not be easy to deal with in the ACT. In his drive between the airport and Parliament House, I am sure the minister will have observed that the ACT—

Senator Conroy: I was a long-term resident who went to university with you. I'll get those photos out.

Senator HUMPHRIES: Indeed, you remind me that you have a deeper footprint in this place. You are absolutely right.
Senator Conroy: I remember what they did to you in the square in Bush Week. I was there.

Senator HUMPHRIES: I think I better have a conversation with you behind the screen later on about that, Senator Conroy.

Senator Conroy: That was the problem: there were no screens.

Senator HUMPHRIES: Yes. I will return to the subject of the legislation. In that case, Senator Conroy would be well aware that in the ACT there are places where we do not have overhead cabling for services such as electricity and telephones that run along streets. In the ACT those facilities are buried underground or they run along the spine of residential developments. It was designed to provide for a higher level of amenity in the ACT, but admittedly it also adds costs to the replacement of those items of infrastructure. I hope and would appreciate an assurance from the minister that the rollout of the NBN to existing residential areas of the ACT will not entail the overriding of that very important planning principle for this territory—that the amenity which the planners of Canberra going back several decades have sought to protect will not be compromised by the temptation for a future possibly cash strapped NBN to cut corners and to begin to string wires between streetlights in the territory in order to make sure that the costs of the NBN scheme are kept down.

I know this is a consideration because NBN Co. itself, in its own public statements of the likely costs of rollout, has said that the question of what it calls 'aerial deployment' has a significant impact on the total cost of the rollout of NBN. Its corporate plan states that, even though the NBN has paid Telstra $16 billion to lease their underground ducts, increasing aerial deployment from 10 per cent of houses—which, I gather, is its existing plan—to 25 per cent of houses would trim costs for the NBN by $1.8 billion.

I do not want to sound a harbinger of doom but I foresee the day when this government and this NBN Co. may well discover that it needs to make a $1.8 billion saving because the costs of this scheme have blown out and the profits anticipated from it have dwindled. Finding savings of $1.8 billion might be a very attractive option for them. In those circumstances, the temptation to run cables between streetlights might be such that NBN Co. will be unable to resist. As costs and time taken to complete projects blow out, the overwhelming urge will be to override the wishes and the interests of local communities and string fibre overhead. I do not imagine that many communities will take that kindly but, I can tell you right now, the ACT community particularly will not take it kindly because we do not have a system of overhead cabling along streets. This government, with respect, has done enough to detract from the quality of the city's fabric with its rundown of the budget of the National Capital Authority without adding to this by running cables between street lamps in this city.

I urge the government to reconsider the use of the power in that case. It is a bit of special pleading, I know, but I want to make that point very clear. Senator Conroy, who knows the ACT so well, he tells us, is not here. I hope there is someone who can offer some assurances about that. That would be much appreciated by the people of the ACT. The minister's department, in its own consultation document, states:

While the construction of the NBN involves considerable expenditure, an additional requirement to move all cabling underground would add substantially to its cost.

This is the clearest signal, I think, we could all expect that overhead cabling is very much on the agenda if that is what is required,
irrespective of what local communities might think about that.

The second issue I want to raise today is the very issue that the minister himself brought up at the table a moment ago, which is the rollout of broadband in Gungahlin, the large township in the north of Canberra. I make no bones about the fact that I am dissatisfied with the quality of broadband available in Gungahlin. This city is the most online community in Australia, where take-up of technologies is the greatest across the country and where good-quality broadband is a product that the people of the city take very much as a matter of importance and significance. In having quality broadband available to the people of Gungahlin, ultimately the largest and—at this stage—the newest township of the city, there is a significant issue which needs to be addressed by the government.

I have called for better quality broadband and I am committed to achieving that for my community. But I will say that, notwithstanding that call, I am less than confident that the NBN will be the answer to that call. I am concerned that the NBN, because it has elements of instability about its concept and its execution, may not deliver what the people of Gungahlin want and need. I note that Labor promised to fix broadband black spots, of which Gungahlin is clearly one, before the 2007 election. But in the last term of Labor we had no more than the canvassing, announcement and then reannouncement of plans rather than any actual delivery of better broadband. We all know about the broadband plan that was going to cost $5 billion and then was going to cost $50 billion and whose cost is escalating all the time, but I particularly want to know what the government's plans were for Gungahlin.

Before the last election there were inevitably further announcements that Gungahlin was going to be well dealt with. Then, last October, NBN Co. officials told Gungahlin residents that the timetable for the first 3,000 homes to receive the NBN, between April and June of 2011, would be available within six weeks—that is, before Christmas last year. That followed an announcement during the election campaign by the minister that 14 locations across Australia, including Gungahlin, would be among the first to host the National Broadband Network. People are still waiting. Obviously, the broadband that was supposed to be in 3,000 households by June this year is nowhere yet in sight. It is now August and we still do not have any households that have been connected. Although I welcome the slightly higher level of urgency, or anticipation, that appears to be creeping into the announcements made by NBN, I will not, with respect, be convinced that any of this will happen until I actually see it. I hope that one day I will.

I noticed the minister having a go at some members of the other place, yesterday in question time, for calling for broadband to be connected to their electorates. I make absolutely no apologies whatsoever for being on the government's back about the timetable for the rollout of NBN broadband in areas of my electorate in the ACT, because that infrastructure is being provided in part through taxpayers' dollars. My constituents pay plenty of dollars in tax and they are entitled to know how their dollars are being spent in providing this essential service. I will continue to call for it in this place and to seek to know what is going on. It does not detract from my view that the NBN is not the best vehicle to deliver high-speed broadband either to the people of Gungahlin or to anyone else in this country, but I am perfectly entitled to know what is going on.
If the minister chooses to characterise that as walking both sides of the street, it says more about his failure to comprehend the role of members of parliament and their duty to their electorates than anything else.

Again I call on the minister, formally in this place, to outline clearly to the residents of the ACT two things: first, if they are in existing premises and are not connected with high-speed broadband, what will be the nature of the deployment of fibre to their homes and, specifically, will there be a guarantee from this government that there will not be a rollout of overhead cables along the streets of the ACT? Second, I want to know whether we can have a firm timetable for when deployment will occur in Gungahlin.

The third matter I will raise today is the question of competition within the ACT marketplace. The government will be well aware, I hope, that the ACT, being a community which is so adept at taking up technology, already has a very good and competitive broadband supplier in the form of the TransACT network. TransACT provides a very high-quality product to the people of the ACT. It already provides at least 60 megabits per second to a large number of places in the ACT and is continuing its rollout of broadband. However, the question that needs rightly to be addressed for TransACT's benefit is: exactly what will be the impact of the NBN rollout on this highly competitive and effective provider that is already in the marketplace? TransACT has been around for 11 years. It operates in both the ACT and regional Victoria. It has a very high-quality product that is used and supported by a lot of Canberrans, but it is not clear at this stage whether the network will be overbuilt, whether it will be integrated into the NBN or whether the NBN will simply be competing with TransACT. As other senators have made clear in this debate, elements of that competition are less than fair, given the subsidy which NBN effectively operates under to provide its services, especially on greenfield sites. I hope that the future of that very important asset to the ACT community will be clarified soon, and I look forward to seeing how the government intends to deal with that existing, effective player in the ACT marketplace.

The question of fibre deployment to the Australian community remains a murky question. I do not think that anyone can rise in this place and say with certainty where we will be in just a couple of years time under the government's plans. Those plans have changed dramatically in the last three years, and I see no reason why they could not change just as dramatically in the next three years. A lack of certainty is not good for business. A lack of certainty would concern many people, certainly consumers and potential customers. This government's plans need to firm up. It particularly needs to provide the certainty that it has done its homework with respect to this deployment, which was not evident when it first made the announcement of the National Broadband Network without having done a cost-benefit analysis, which is something that it so solemnly told the Australian community in 2007 would never happen in respect of any major product that it was embarking on. There is no cost-benefit analysis today. We do not know whether this stacks up or not. While the government remains unwilling to share information about those issues with the Australian people, we are entitled—in fact, we are compelled—to ask the kinds of questions like the ones being asked today in respect of this legislation.

Senator BERNARDI (South Australia) (12:43): In the minute and a half we have until we move onto matters of public interest, I would like to state briefly for the
record that I share the concerns of the coalition benches. We have heard today that this $50-plus billion rollout of the National Broadband Network which is being undertaken without any cost-benefit analysis, as Senator Humphries has just remarked, has only about 50 current customers, and that these people are obtaining services that are at a cost comparable to that of the facilities that were available previously. Importantly, the mooted benefits of this very fast National Broadband Network, come at a considerable cost which is out of the reach of so many people in many of the communities that are affected right now. A lot of discussion has taken place in that regard.

Ultimately, this comes down to: is this the best use of taxpayers' money? In fact, it is not even taxpayers' money. I regret to inform the Australian people that this is borrowed money. This is money that the government does not have. The government does not have it because it has squandered so much of the legacy and resources that were left to it when it came to office in 2007. So we are borrowing money to provide services that, in many instances, were already available, and in doing so we are creating a national telecommunications infrastructure.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

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

Migration

Senator MARK BISHOP (Western Australia) (12:45): I wish to speak on this matters of public interest discussion to bring to the attention of the Senate and the wider community a matter of significant concern raised by a constituent who came to my office some time ago. The matter goes to the limits of migration legislation, the Migration Review Tribunal and ministerial intervention. A young man by the name of Daniel attended my office on 23 May this year, seeking assistance and advice on a serious migration problem. The Department of Immigration and Citizenship, DIAC, on 18 May had informed him that he was illegally present in Australia. He was told he had 28 days to depart and to contact the department of his own volition or they would come and talk to him. As he had initiated regular contact with his migration agent, he was understandably distraught at this advice.

By way of background: realising a longstanding dream, this young man arrived in Australia from the United Kingdom in September 2008 on a working holiday visa. His trade for the past 16 years was that of a solid plasterer, and in Australia he obtained employment in that field immediately. Being impressed with his skills and aptitude, in 2009 his employer encouraged him to obtain an Australian trades certificate. This was with a view to sponsoring him on a business sponsorship 457 visa. Daniel gained his certificate, and his employer lodged a 457 application in February 2009. The employer failed to meet the financial requirements of sponsorship and the application failed. On leaving DIAC's Perth offices, having just received the bad news, Daniel approached a registered migration agency. This agency, EasyMigrate Perth, was in the same complex to attract clientele.

Now, you might say, that was the smart thing to do and I, in times past, might have agreed. Daniel engaged EasyMigrate and paid in excess of $5,000 for their services. His agent advised that they would apply for a skilled regional sponsored 487 visa. This would allow him to stay onshore whilst they applied for a state sponsored 176 visa. At this time, Daniel provided all relevant documentation necessary for his claim. His
agent advised that the process could take up to four years and they would contact him when, and if, necessary.

An extremely organised person, Daniel kept copies of all documentation relating to his quest to remain in Australia. In hindsight, this was a very smart move—the smartest move he made, apart from seeking advice from my office. Over the next two years, he received no contact from his agent. Being keen for updates on the progress of his application process, Daniel called them regularly. The answer was always: 'All is in hand and going well.' In January 2011, with a reputation as a tradesman of quality, Daniel sought advice on establishing his own business in Australia. He approached his agent inquiring as to his ability to do so under the criteria of his visa status. He was advised there was no impediment and to go ahead. So he started up his own business in February 2011. In March 2011, with his business booming, he talked to Silver Trowel Trade Training Centre about taking on an apprentice. He also renewed the 12-month lease on his rental property. Daniel was content with his life—all was well, or so he thought.

However, this young man's life was about to be turned upside down. On Wednesday, 18 May, Immigration informed him of his illegal status and his removal order effective within 28 days. Daniel immediately contacted his agent, who denied any knowledge of the order. An appointment was made for the following day. At the meeting with his agent, the advice was: 'Don't panic. This can be fixed. We'll lodge a state Sponsored 176 visa. You'll be granted a Bridging Visa E. We'll lodge an appeal to MRT and buy you some time.' On Friday 20th May, Daniel insisted his agent accompany him to Immigration to find out what went wrong and what could be done. A bridging visa E was granted and he was instructed to produce an airline ticket by the following Friday. What advice did his agent give him? 'Don't worry. Don't buy a ticket. We'll lodge an appeal with MRT.' By Monday, 23 May, Daniel's agent had provided him with a copy of his visa application rejection letter dated 24 March, 2011. An appeal was lodged with MRT in the knowledge that it would fail, but it would buy time. This is the point at which Daniel, in a state of panic, first contacted my office.

My office was about to discover his migration agent had demonstrated complete disregard for their client's best interests. In effect, the agent had failed to advise when the application was rejected due to the lack of supporting documentation, which they held on file; failed to advise of the opportunity to lodge an appeal to MRT within the 21 days of the decision being received; failed to advise that his trades recognition had failed due to lack of supporting evidence, also held on file; failed to lodge the original 176 application; failed to lodge the Federal Police clearance application; failed to advise their client of any of the above; and failed over the previous two years to acknowledge numerous contacts from DIAC seeking additional information. This was despite holding all relevant information on file. Later, they failed to provide their client with the complete visa rejection letter, as it contained damning evidence of their negligence. At this point, my office goes into overdrive in an effort to right the wrongs against this young man. Over the following days advice was sought from the parliamentary liaison unit officer in Perth, Ms Shelley Jenkins; Ms Renelle Forster, Assistant Secretary, Ministerial and Executive Services, DIAC; Minister Bowen's CLO, Nathan Fenech; Mark Bailey, Assistant Director, Stakeholder Engagement Migration Agents Section, Migration and
Visa Policy Division, DIAC; Ms Jan Feeby, Branch Manager, Trades Recognition Australia;
and Ms Claire English, Senior Migration Officer, Skilled Migration WA, Department of Training and Workforce Development WA. Daniel also sought the advice of an independent lawyer.

Although I cannot praise highly enough the efforts of all those above, everyone’s hands were tied. Why was that? It was that, through no fault of Daniel’s, an appeal had not been lodged with the MRT. That must be done within 21 calendar days of the applicant being taken to have received the letter of rejection. If the client has a registered migration agent, they receive the notification and their client is deemed at law to have also received it. Of course, in this case, it never happened—why would it? Why inform their client of this contact when all other contact from the department had been withheld?

The assistance and advice provided by Minister Bowen’s CLO was exemplary. Understanding Daniel’s predicament, he contacted their legal department for substantive advice. That advice was:
Legislatively there is no basis for the Minister to intervene due to an appeal to MRT not being lodged in time.

You may well think this was the end of it, but there is more. On Friday, 3 June, whilst in my office Daniel contacted the owner of EasyMigrate, who had now become involved in the case. What my staff heard on speaker phone was unbelievable. During the conversation the agent claimed he had an insider within the department and that his insider could fix the problem and fast-track Daniel's state sponsorship. This of course was untrue on both counts; the problem could not be fixed and there was no insider.

But back to the crux of this matter. There is an anomaly in migration law. It allows blameless clients of unscrupulous and negligent migration agents to fall through a legislative crack. Of course they can lodge a complaint to the Migration Agents Registration Authority, but this does not assist their migration status. MRT has no discretion, and a merits based review may not be accepted after the final cut-off date. Legislatively there is no basis for the minister to intervene when an appeal to MRT has not been lodged and considered.

So where did the wronged party go from there? In this case he went back to the UK, where he immediately lodged a new application. There was some urgency to this, as the 176 application criteria changed on 31 June, complicating an already complex situation. Ms Jane Sancom, principal migration officer, and her staff in the minister's London office ensured Daniel's new application was lodged prior to the cut-off date of 31 June.

Fortunately for Daniel this has a happy ending and his visa was granted on 5 August, 2011. This was made possible by the exceptional assistance provided to my office by the aforementioned officers and agencies.

Madam Acting Deputy President, it would be a useful development to have this anomaly in migration law examined. In such extreme and extenuating circumstances, where there is no fault at all on the part of the individual, there should be an alternative pathway to a common-sense resolution, one that does not impact so greatly on the lives and incomes of those exploited by unprincipled migration agents.

Member for Dobell

Senator FIERRAVANTI-WELLS (New South Wales) (12:55): Much has been said about the member for Dobell's activities regarding his credit card usage. Today I would like to focus on some local issues about political integrity that are very pertinent to the people of Dobell. Julia
Gillard promised new standards of transparency and integrity. We are not seeing that in relation to the member for Dobell.

Firstly, can I say how appalled I was at the member for Dobell's actions at the Mingara Recreation Club on 13 August 2011. I was present during the Save our Clubs rally Central Coast event at that club. The meeting was very antagonistic towards the Gillard government's mandatory precommitment. Very strong views were expressed. There were hundreds of people in the auditorium and more in the foyer watching on the screen. To say they were angry is an understatement. Speakers at the rally included the member for Robertson, Deb O'Neill; the member for Shortland, Jill Hall; and the member for Dobell, Craig Thomson. Other speakers included Peter Newell, President of Clubs Australia; rugby league great Steve Mortimer; Minister Chris Hartcher; and me.

During the question time Mr Thomson made certain comments about the Howard government to which I took great exception. I put up my hand and was given the call by the MC, local businesswoman and community worker Ms Louise Duff. I strongly refuted the comments made by Mr Thomson. I questioned how anyone could believe anything the member for Dobell said. I said that if there was anyone there who had a credibility problem it was Craig Thomson. There was rousing applause and cheers at my comments. The meeting then concluded. It was after that that a most appalling exchange occurred. It was witnessed by Mr Jeremy Bath, media spokesman for ClubsNSW. In a statutory declaration dated 15 August 2011 he stated:

On the 13th of August at approximately 3.50pm, I witnessed Craig Thomson and then (Labor Shortland MP) Jill Hall stand from the speaker's table and walk to a person who I later learned was Louise Duff.

Mr Thomson stood over Ms Duff who had just returned to her seat, and made the following comments 'You are a disgrace. Your career is finished. I am going to publicly name you in parliament'.

Ms Hall, (who) was standing behind him, also witnessed the words and added: 'Yeah, do that'. I approached Ms Duff to ascertain her wellbeing. She was upset, wiping tears and said to me 'Craig Thomson just spat in my face'.

I note that the member for Shortland, Jill Hall, has also made a statutory declaration, in defence of Mr Thomson, which refutes that of Mr Bath.

"I was with Mr Craig Thomson the whole time that he spoke with Ms Louise Duff," Ms Hall wrote.

"At no stage did Mr Thomson behave inappropriately. At no time did I see (him) threaten Ms Duff, nor did I see Ms Duff in tears."

There is clearly a discrepancy between what Mr Bath saw and what Ms Hall asserts. It also appears to contradict the reports from the many witnesses at the club referred to by the Daily Telegraph on 15 August 2011. I also spoke to Ms Duff as I was leaving the Mingara club. Two other people were present. Ms Duff relayed to me what happened. Ms Duff was visibly upset and in tears. She was very concerned about being named in parliament and the effect that this would have on her and her business. I explained to her that there were avenues open to her to respond, in the event that Mr Thomson did take any such action.

Mr Thomson apologised for his action. In an article in the Sydney Morning Herald on 22 August, Paul Sheehan quotes Ms Duff:

I think the right thing to do is move on and not discuss the matter further, but the fact that he apologised to me meant he knew he was in the wrong.

Of course he was in the wrong. Someone is lying here and I will leave it to the Australian people to work out who precisely is lying. I
will respect Ms Duff's desire to move on and will not elaborate further, suffice it to ask two questions. Did Ms Gillard seek an explanation from Mr Thomson as to his disgraceful behaviour towards Ms Duff? If so, what action did Ms Gillard take about this matter?

I turn to the latest chapter in the Thomson saga which we saw revealed in today's *Daily Telegraph*. This is a grubby tale of broken promises, threats and a job for the ex-wife with unemployed youth on the Central Coast being the bargaining chip. Not only does Craig Thomson send an email lobbying a Central Coast firm to give his ex-wife a job at the same time as they are seeking federal funding for a jobs incubator but, when things do not go his way, he gets nasty and he starts making threats.

How the Prime Minister can continue to stand by this man is truly beyond comprehension. Let us go back and see how this grubby episode has unravelled. Labor made a $2.5 million election commitment at the 2007 election to establish a GP superclinic in the northern part of Dobell. On 22 April 2009, the Department of Health and Ageing announced a funding agreement with Warnervale Medical Services Pty Ltd to establish the $20 million clinic at Warnervale. A development application was lodged on 3 December 2009 which included a hospital with a series of interconnected two- to three-storey buildings, consulting rooms and a range of ancillary services, a chemist, a cafe and a large parking station. A deferred commencement consent was issued on 29 June. The application was determined by the Hunter and Central Coast Joint Regional Planning Panel due to the value of the project exceeding $10 million. The consent became operational on 22 September.

Sometime later the proponents made a decision based on the financing of the project to rearrange the building schedule to something smaller for approximately $9 million at stage 1 with an intention that the balance of the work be completed in around five year's time. Since that time there have been amendments to the original proposal. We have gone from a $15 million, 7,000-square-metre project with staff of 106 to a proposal of $9 million for 81 staff to the stage 1 application currently before Wyong council with a cost of only $4 million at 1,600 square metres with only 45 staff and only five GPs and a temporary car park. It may take—at least five years before stage 2 is completed. Many of the allied health measures promised in the initial agreement are no longer part of the application. Meanwhile the GP superclinic has been operating in a temporary facility since March 2010. I will not traverse yet again the debacle that the GP superclinic rollout has been. This is only another startling example of that debacle.

When the issue was debated at a recent council meeting, the project manager was asked how many doctors the current temporary clinic has. He said 2.5 doctors. When asked how many doctors the new GP superclinic will have when it opens sometime in the never-never, the project manager said four doctors. This is only 1.5 doctors for a growing area and little return for the $2.5 million in taxpayers' money more than three years after it was announced with absolutely no guarantee that the full project will ever be completed. Despite the debacle, Mr Thomson has been trying to lay the blame solely at the feet of Wyong councillors.

Enter the second promise: the job incubator project and the Central Coast Group Training centre. This centre has a proud 30-year record of helping kids on the
Central Coast through apprenticeships and traineeships in an area which has very high youth unemployment. On 22 June 2009, armed with a letter of support from Craig Thomson, the centre applied for funding under Jobs Fund round 1. It was rejected on 11 December 2009. The centre applied for funding under round 2 and again was unsuccessful. So it was with much anticipation and excitement that the centre received the news of the visit from Minister Anthony Albanese and Craig Thomson to the Central Coast Group Training centre where, with great fanfare, they announced a funding commitment of $2.7 million to build the skills centre at Wyong to house and nurture start-up businesses under the group's supervision. The memento of the happy occasion appears on page 4 of today's *Daily Telegraph*. In the statement dated 20 July 2010 Mr Albanese stated:

This state-of-the-art facility is about tackling youth unemployment …

He goes on that it:

… will be established and operated by Central Coast Group Training and owned by Wyong Shire Council.

Mr Thomson endorsed the commitment, welcomed the funding and said:

We are committed to moving the local economy forward by creating jobs and training opportunities for young people.

Of course, the ALP statement goes on to talk about the business and what the business will do. It will be worth a total of $4.6 million with the Wyong Shire Council contributing the land and the training group providing the funding. This announcement was warmly welcome by the Mayor of Wyong Shire Council, Doug Eaton, who is chairman of Central Coast Training Centre, and Councillor Greg Best, who is the CEO. Both are tireless workers for the Wyong community. The local newspaper reported

Mr Thomson's comments at the announcement:

The Centre is the coast's most progressive employment initiative, a pilot program that will be keenly reviewed with a view to establishing further Skills Centres.

Of course, he refers to 42 per cent youth unemployment on the coast. Then it was with some surprise that in March 2011, as the centre was in the process of putting their application together, they received an approach from Mr Thomson as to whether the centre would have a job available for his ex-wife Christa Thomson. In fact, on 11 March Mr Thomson used his parliamentary email to send Christa Thomson's resume and contact phone number to the centre. The email reads:

Hi Alison, here is Christa's resume as discussed. I will get her to give you a call on— the number—

Regards, Craig Thomson

Naturally the centre did not interview Ms Thompson for a position. How totally inappropriate! What arrogance from this man! It is clear what he was trying to do. He was trying to influence them—and was holding the funding over their heads—to give his ex-wife a job. Now, despite all the fine words of Mr Albanese and Mr Thomson, and more than 12 months after the funding was announced, the promised $2.7 million has not materialised. And so the two broken promises come together.

I do not know what is motivating Craig Thomson, but he has now gone and linked the jobs incubator to the GP superclinic—despite all those protestations about his worries about high unemployment. On 13 July this year, the council unanimously endorsed a motion about the failure of the Gillard government to deliver on the Warnervale GP superclinic. On 14 July, Councillor Best went on local radio to talk
about this superclinic motion. At 6.10 that morning, Craig Thomson sent him a text message which said:
bye bye job incubator
Shameful! The mayor subsequently informed the general manager of Wyong Council about the threat and formally referred the matter to the Independent Commission Against Corruption for investigation. Mr Thomson of course has form in sending text messages—time precludes me from delving further today.

Senator Ronaldson interjecting—

Senator FIERRAVANTI-WELLS: But wait, there might be more, Senator Ronaldson. The question is: has Craig Thomson interfered with the proper process of consideration for the funding? In 2009 he signed the letter of support, yet two years on—no funding. This threat to stop the funding comes at a very interesting time, on the eve of two important events. Firstly, a funding submission has just been lodged with DEEWR, on Monday, 22 August, again to try and get the promised money. Secondly, the application for the GP superclinic is coming before council tonight. Funny about that! This is on top of the unsuccessful request for a position for his ex-wife. What is motivating the actions? Could it be retaliation? Could it be retribution? Could it be payback? It certainly is not the wellbeing of his constituents. In fact, on 21 July the local paper did make this reference:

… Federal Labor MP Craig Thomson threatened to pull funding for a job incubator project in Wyong Shire as "payback" against Councillor Greg Best who has been speaking out about the GP super clinic and delays surrounding it.

Meanwhile, the Central Coast still does not have its GP superclinic. It probably will not have it for nine years. It certainly does not have its job incubator centre.

Interestingly enough, on 31 August the Prime Minister was supposed to open the biggest ever engineering project on the Central Coast—apart from the work on the F3. But now she has decided to decline the invitation. 'Yes, I am coming,' she said, but now she is not coming. She is sending the parliamentary secretary. Why? Because she does not have the guts to turn up and face the people of Dobell, to face the difficult questions about her conduct, the conduct of her government and the conduct of the member for Dobell. Meanwhile, Labor insiders are starting to lose patience with the member for Dobell—(Time expired)

Northern Territory Emergency Response

Senator SIEWERT (Western Australia—Australian Greens Whip) (13:11): In June this year, the government launched its Stronger futures for the Northern Territory discussion paper. This paper tries to set out some issues for discussion about the future of the intervention in the Northern Territory, the intervention which has been going for four years. In that paper there is acknowledgement that the intervention has not delivered in the key areas which it was supposed to deliver in—based on the claims made by the previous government, now taken up by this government, about the need for the intervention in the Northern Territory. We still have appalling statistics on abuse in the Northern Territory, we still have what the government says is poor school attendance and we still have significant issues around alcohol—issues which, I will add very strongly, are not restricted to Aboriginal communities.

Everybody in this place is well aware of the Greens' criticism of the intervention. We said that it would not work because it was punitive and discriminatory, because it suspended the Racial Discrimination Act,
because it took a top-down approach, because it was not developed in partnership with the community or in consultation with communities, because it took people's land away, because it imposed draconian, punitive and discriminatory measures on Aboriginal people living in the Northern Territory and because it flew in the face of well-recognised evidence—both Australian and international evidence—that those sorts of programs simply do not deliver. So it should come as no shock to anybody that, in fact, most of the measures in the Northern Territory intervention have not worked.

I was hoping that the government would—and maybe people will call me naive—recognise that those approaches have not worked and do not work and would genuinely seek to find alternative approaches. I must say that what I have heard to date does not fill me with confidence that that is what we are going to see. I have spent a bit of time in the Northern Territory recently and I have had some pretty strong feedback about the consultation process to date. As I said, that feedback does not fill me with enthusiasm for the approach that the government is taking. Many people are saying to me that they think the government has already reached its conclusion—that what the government is going to do is a foregone conclusion. There was little notice about some of the consultation. People said that they understood that the people the government wanted to talk to were the people who were specifically invited to consultations and that they felt it was a waste of time.

The time allocated for consultations has also been relatively limited. Anybody who works in this space, who works in and with Aboriginal and Torres Strait Islander communities, knows that you have to have a significant period of time to consult—particularly on something which has been so contentious. Yet we have seen consultations rolled out with very little notice and, as I have said, I have had some pretty negative feedback. I thought that I should get in and raise some of the concerns I have been hearing from people around the intervention, and particularly around income management. Income management, as we know, was one of the cornerstones of the intervention, and in fact the government was so enamoured of it that it decided it wanted to keep it going and the only way it could keep it going was to make it appear—I use the word 'appear' very carefully and consciously—less discriminatory by then rolling it out with no real evidence base for doing so across the rest of the Northern Territory. Of course now it is being trialled in other areas around Australia. I will say that is a bit different and that it does not apply to everybody within certain Centrelink payment categories, as it does in the Northern Territory, but nevertheless it is being rolled out without the necessary evidence.

The Greens are on record as opposing income management. We do not oppose voluntary income management but we certainly oppose compulsory income management. It is expensive—it costs around $4,500 a year per person to implement. We do not believe this will deliver meaningful change and we would rather see that investment put where it can deliver meaningful programs—programs that have been developed in partnership with and in consultation with the community. As I say, we do not believe there is evidence that it works. It is deeply demeaning. The government continues to claim it is aimed at breaking the vicious circle of welfare dependency. I contend that is a nonsense—it does not do that. To add insult to injury, the government claims that mandatory income management is all about human dignity. I struggle to understand how they can claim
that taking people's decision-making rights away, forcibly keeping half of their income support payment, maintains someone's human dignity. When you talk to women about this issue you struggle to think why the government still maintains that line.

In May this year, the Equality Rights Alliance sent researchers to Alice Springs and Darwin to document women's experience of income management. It is not surprising to me that they found income management in many cases led to social exclusion, loss of self-respect and confusion, and had little impact on spending habits. Of the women surveyed, 79 per cent said they did not like using the BasicsCard and wanted to stop using it now. Most participants did not show an understanding of the rules that had resulted in their income management—in other words, the rules had not been adequately explained to them. In a majority of cases income management was shown to be ineffective in reaching its aims, with 85 per cent of respondents saying they had not changed what they bought because they had the BasicsCard, and 75 per cent said that the BasicsCard made no difference to their spending. Seventy per cent said they did not feel safer since they had got the BasicsCard—in fact, the opposite was true; women reported not wanting to disclose family violence or access crisis payments for fear of being put on income management. Again, it is another issue that we highlighted during the debate on this issue. If you are on income management and you approach Centrelink and ask them for help or signal there maybe some issue, you are desperately afraid you will be termed a vulnerable client and get income managed. Some women raised concerns that they were losing money management skills with Centrelink taking over the payment of bills, or that their children were growing up seeing that someone else would take care of the bills and they did not have to learn to manage their own money. It is really evident that that can happen.

Income management appears to be making it more difficult for women to provide for their families, with 74 per cent of respondents reporting that the BasicsCard does not make it easy for them to look after their family. Some women raised concerns about not having as much flexibility about where they shopped, and this meant less value for money. Many women talked about difficulties paying for food because small shops, such as Asian groceries and halal butchers, do not accept the BasicsCard. Many respondents reported the loss of dignity and self-respect. There is a perception by the majority of women that Centrelink and others in the community do not have respect for them, or consider them to be less competent with money or as parents. Seventy-five per cent of women said that people are not as nice to them when they see that they use a BasicsCard—and this is from women who use the card. Some women said:

There is a shame attached to it. It makes me feel more diminished. So small. It was just enforced over everybody and I don't see why it should happen to people who are doing the right thing. I would have been embarrassed to go to Woolworths with a BasicsCard. I have no history of mismanagement or social problems.

Now that income management has been rolled out to communities other than Aboriginal communities in the Northern Territory, African migrant women have also been affected by having to use the BasicsCard. Both Aboriginal and African migrant women say that they feel that the program is intended for people of Aboriginal or African background, saying that they have noticed ‘all the black women have the card, but the white women don’t’. That is another point we made during the debate, when the
government tried to make it appear that this program was less discriminatory. It is very clear from the statistics that we are picking up in estimates that it is mainly, again, average families that are being picked out for the broader roll out of income management.

Recent research, and certainly the anecdotal evidence from talking to people, has shown that income management is not only ineffective but also works against the very aims it purports to achieve. This report clearly indicates that income management degrades vulnerable women and in some cases places them in dangerous situations where they avoid reporting family violence. It makes it harder for them to take care of their families and it does not change their spending habits.

Why doesn't the government get this? Is it because it thinks it is an easy fix or that it can appear as if it is doing something rather than making meaningful change? Is the government so blinkered to this that we are not going to see meaningful change in the way that money has been wasted in the intervention, or is it going to stand up to the challenge?

I will not call future programs in the Northern Territory a second intervention or a further rollout of the intervention. The government needs to distance itself, end that program completely and make meaningful change in the Northern Territory. It needs to walk away from those policies that are not working. It needs to really listen to the community and work in partnership with the community. Just last week we had representatives from Utopia here with Amnesty, who have done this report. They came to Canberra to deliver and talk about the report, which is titled: *The land holds us: Aboriginal peoples' right to traditional homelands in the Northern Territory*. Rosalie Kunoth-Monks, an elder from Utopia, made some very powerful statements, both in this report and to those of us who met her. She talked about her people and about the land owning you. That means through your song lines you have got to know which part of the land owns you and how you are responsible for the wellbeing of that earth.

From time immemorial there has been in existence an order that nobody queried who was who, who had the right to speak, who had the right to be ceremonial leader and everything was orderly, yet inclusive. She went on to say:

So 2007 was a huge thing. That was when the intervention occurred—

It was an assault. It traumatised all of us, so we looked around to see what made sense. What made sense was at all costs to hang on to the land. On that day, when they said, 'We want your land', there was an outcry all over Australia, I believe, from Aboriginal peoples. By 2008 it became so unbearable that I remember absolutely reeling in shock. It appears to me like we were made enemies of the state of our country. We had not been in an aggressive relationship with anyone throughout the world, let alone Australia, let alone in the Northern Territory. We see that there are certain Aboriginal communities earmarked as growth towns. Let me assure anybody who cares for Aboriginal people of Australia that once we are moved from our place of origin we will not only lose our identity we will die a traumatised tragic end.

Ms Kunoth-Monks talks further about the importance of land and culture for her people, which takes me to another policy of this government, that is, the remote service delivery policy that focuses on key service delivery towns—21 in the Northern Territory and others elsewhere in Australia—where the bulk of resources are being focussed with the obvious aim of encouraging Aboriginal people to leave their homelands, to leave their land, and to move to bigger centres. Clearly, this report shows that that is not the right approach. It tells us that Aboriginal people have better outcomes on their homelands, and that is what Ms Kunoth-
Monks told us last week. In fact, the social research, medical studies and UN experts have begun to realise its importance, although it has been acknowledged in the past. Finally, people are recognising the importance of the inalienable connection between culture, country and land.

Better outcomes in physical and mental health then lead to better life expectancy. If we encourage people to move into towns, we still do not have enough housing, so we have issues about overcrowding. Ms Kunoth-Monks told us last week that people were getting better educational outcomes, so why are we continuing to push these policies of encouraging people to move from their homelands to the bigger urban centres? (Time expired)

**Building the Education Revolution Program**

**Senator BILYK (Tasmania) (13:26):** I rise to speak in the matters of public interest debate on an issue that is very important: that is, the Building the Education Revolution. One of the delights I have as a senator is being able to meet people from all different walks of life and to share important times in their life with them. Quite often, I am with school communities as they celebrate those important events. It might be the opening of the school year, or the end-of-year awards presentation, or it might be a fundraiser for the school.

Another important occasion I have been joining school communities for is the opening of their new facilities funded under the Gillard Labor government's Building the Education Revolution, or BER program. This program has provided many students, teachers and parents with 21st century facilities that will enable a better working and learning environment for them all. Teachers will have better facilities in which to provide their students with the best learning opportunities possible. Students will have new and refurbished classrooms, halls and outdoor areas to allow them to experience learning in a variety of situations, including ways that were not possible prior to their school gaining the new facilities. Parents will know that the school they have chosen is well-equipped to give their children the learning opportunities that every Australian child deserves. Teachers, students and parents at schools across Australia are excited by the developments that have taken place, and continue to take place, in our schools. It is for this reason that it is such an honour to be with the school communities as they celebrate the results of the BER funding.

Most recently, on 13 July I had the opportunity to join the St Aloysius Catholic College at Kingston in Tasmania and Corpus Christi Catholic School on 29 July on Hobart's eastern shore as they officially opened their developments. St Aloysius Catholic College received $3.6 million under the National School Pride Program and the Primary Schools for the 21st Century Program—P21—element of the BER. The school has a new multipurpose hall, middle school learning centre and amenities upgrade. As a result of these facilities, the college will be able to provide simultaneous classes in physical education, music and drama, and share the hall with the local community, including the Kingston-Channel parish.

The middle school learning area will allow teachers in grades 7 and 8 to work as a team and plan lessons using the Australian Curriculum across the two grade levels. A special guest at the ceremony was Sister Eileen Thynne, the first principal of what was then known as St Aloysius School when it was founded in 1960. Sister Eileen is one of 10 Sisters of Charity who led the school between 1960 and 2001 before the school
had its first lay principal. The school community has honoured the work and values of the Sisters of Charity by naming the new hall the Sisters of Charity Centre. As part of the ceremony, grade 6 student Mackenzie Adams honoured the traditional custodians of the land and the grades 3 and 4 choir performed. This project, as with all the BER projects across Australia, has required staff, students and parents to work together with the architects, builders and tradespeople to make the building process as smooth as possible and to ensure that disruptions were kept to a minimum. Approximately 120 workers played a part in making this plan a reality for this school community. That is 120 people who had jobs to go to—120 families that had money coming in to put food on the table, pay the bills and put petrol in the car. That is money that was spent in the local community.

Corpus Christi Catholic School received $2.85 million under the National School Pride program and Primary Schools for the 21st Century element of the BER. The school now has a larger hall, an upgraded library and covered walkways. Staff and students will be able to enjoy more open spaces and better lighting as they learn, grade 3 now has a wet area in the classroom, and all children will have use of the vibrant new library facilities.

This year Corpus Christi marks 75 years of learning. It was an honour to join with the school community for the official opening of the BER project in such a landmark year. The Corpus Christi project employed 92 people and is just another example of how the Labor government's BER program created jobs across Australia. That is another 92 people who had an income and were able to provide for themselves and their families. The Archbishop of Hobart, His Grace Archbishop Adrian Doyle, was with the school community to celebrate this special occasion. I would also like to acknowledge Sister Clement Williams, one of the original students of the school who later served as principal, who was also at the opening.

Students Brady Stacey and Isobel McKenzie acted as MCs while Mrs Rachel Kelly officially welcomed the staff, students, parents and other members of the community to the assembly. Another student, Molly Foale, acknowledged the traditional custodians of the land. It is always pleasing to see students take part in important events. It gives them a sense of ownership, and they have great pride in their school.

As with most BER projects, Corpus Christi's new facilities are not just for the current school community to enjoy. They will benefit teachers, students and parents who are yet to be part of the school. The wider community will also benefit. I know Corpus Christi's hall has already been used to hold a Jump Rope for Heart event. I am sure everyone would agree that holding events such as Jump Rope for Heart in school halls means that the halls are being put to exceptionally good use. It encourages people to get active and look after their health and to raise money for important charities. I am currently looking forward to joining with the Huonville High School community as it celebrates the official opening of its BER project very soon.

The BER has been extremely well received in Tasmania, and the schools I have mentioned today are just some of the examples of southern Tasmanian schools benefiting from the BER, and also schools across the nation. All the other schools I have attended have been just as excited by their new facilities. School communities all over the state are reaping the benefits. Franklin Primary School's new library has given the students access to collaborative work spaces and other new, modern
facilities. At Geeveston District High School the new library, IT lab and general-purpose classroom have provided modern new areas for children to learn in, with new interactive learning technologies. The school is also providing access to the classroom for local organisations, providing a benefit to the wider Geeveston community. They find the new IT lab especially useful. At Dodges Ferry Primary School some of the refurbishments were designed for use by students with disability, and the 'Ferry hall' has once again been made available to the local community. Whether it has been new buildings, extensions to existing buildings, better outdoor facilities or greater energy efficiency, each school has had a say in how its money has been spent. These schools decided what would benefit their school community the most.

In Tasmania the BER projects were managed by school principals and the architects. I congratulate the Tasmanian Department of Education for developing such a successful process that actively involved school communities and provided the best outcomes to suit schools' needs. The success of the Tasmanian process was acknowledged in the report of the BER Implementation Taskforce. The report declared that the Tasmanian government system attained value for money in its BER implementation. The report also found that the BER resulted in some inspiring buildings and empowerment for school communities.

On 16 June this year the Australasian affiliate of the Council for Education Facility Planners International announced winners and commendations for school building projects. The awards recognise effectiveness in the planning, design and construction of educational facilities. A number of BER projects were amongst the recipients of these awards, including one from Tasmania—Sacred Heart Catholic School in Ulverstone—which was designed by K2Ld Architects.

At the completion of the BER in Tasmania, more than $327 million will have been spent on improvements to government schools, more than $73 million on Catholic schools and $38 million on independent schools. That is more than $438 million being invested in our children—the future of the state and of Australia. The BER has not only improved the education facilities and opportunities for our students but also provided a much needed boost to Australia's economy. It provided this boost at a time when the world was facing a global financial crisis. It is projected that over the duration of the BER approximately 120,000 jobs will have been created. Apprentices in the building and construction industry stayed in work as a result of work created by the BER.

The Australian economy is in the position it is because the Labor government made the sensible decisions to act. We recognised that investing in our children was an investment that would benefit the nation for many years to come. When the Building the Education Revolution taskforce handed down its final report in July this year, it reported that over 9,000 of the 10,500 projects have been completed since the P21 program was conceived in February 2009. This is a significant achievement and is proof that the BER met its aim: to deliver a substantial boost to the economy.

During the course of its review the taskforce met with many stakeholders to hear of their experiences, which were overwhelmingly positive. The taskforce found that in non-government schools the building work was consistently of good or high quality. In rating government schools' performances, the taskforce observed the highest quality building work in Tasmania, along with WA and the ACT. Since the
government announced the BER program in 2009, the one thing that has been really disappointing to me, and to my government colleagues, has been the negativity of the coalition. They have continually criticised this program, calling it wasteful.

Senator Nash: It is!

Senator BILYK: Appearing on Sunrise on 13 February 2009, Joe Hockey said: Well let me tell you, we wouldn't be spending $14 billion on school halls. I mean that is a phenomenal amount of money. $14 billion … That is just ridiculous.

Senator Nash: Do you know how much your debt is at the moment? Have a crack.

The ACTING DEPUTY PRESIDENT (Senator Furner): Order!

Senator BILYK: Mr Hockey is right in one sense: it is a phenomenal amount of money—and it is being put to good use. It is money that has served two important purposes. First, it formed part of the government's economic stimulus plan, which saved Australia from recession.

Senator Bushby interjecting—

The ACTING DEPUTY PRESIDENT: Order! Opposition senators on my left, you were heard in silence. I expect the same for government senators.

Senator BILYK: I know those opposite disagree, but their views are at odds with leading economists, the Australian Treasury, the Reserve Bank and the OECD—not that I am surprised. The Leader of the Opposition seems to think that his view being at odds with those of the experts reflects on the quality of Australian economists. Well, I think rejecting expert advice for no good reason is actually a reflection on the quality of Australia's federal opposition. If the opposition had their way, 200,000 Australians who are employed now would have joined the dole queues, Australia would have suffered a recession and Australia's primary school students would be continuing to learn in second-rate facilities. That would have truly been a waste.

The second important purpose the BER serves is to provide a long-term investment in the educational outcomes of our children. These 21st century facilities will not only benefit the schoolchildren of today but be enjoyed by children and communities for generations to come. The question has to be asked: why has the coalition been so negative about something that teachers, students and parents have all been so excited about? Why the negativity about a program that is providing better education facilities for our primary and high school students? The only people I have met who do not support the BER are those opposite. I have seen a number of their state colleagues alongside me celebrating the openings of these facilities. I am not surprised that federal coalition members are nowhere to be seen at BER ceremonies. If I were opposing a building program that was delivering such great outcomes for students, I would be embarrassed to show my face too.

The other question that I am still contemplating is: why, when the federal coalition have been so against the BER, have their state colleagues been so delighted with it? Will Hodgman, the Leader of the Tasmanian Liberals, and his colleagues Vanessa Goodwin, the member for Pembroke, and Jacqui Petrusma, the member for Franklin, have all been at BER openings with bells on. They have been there because they know that the people who elected them to Tasmania's parliament are benefiting from this program. They know that the children, the next generation of voters, are benefiting from this program, and they want the people to know that they support this investment in our schools—and they are right to support it.
Over four years, approximately 24,000 projects will be delivered to more than 9,000 schools across Australia. This is an achievement that the Labor government takes great pride in. We are proud of the fact that school communities are enjoying new facilities that will enhance learning on a daily basis. The school students of today are the leaders of tomorrow and we want them to have the best possible opportunities as they prepare for their future.

East Africa Famine

Senator SINGH (Tasmania) (13:40): Today, the lives of more than 12 million people, including 2.23 million children, are being threatened as they face starvation and malnutrition in the Horn of Africa. Drought, unrest and a refugee and humanitarian crisis ravage Kenya, Djibouti, Ethiopia, Uganda and, perhaps most heavily, Somalia. This crisis is the 21st century's first famine of this scale. It is the most severe food security challenge in Africa for over 20 years. This famine has come about because of the worst drought in the region in 60 years. There are no crops and little livestock left. The UN estimates that 3.7 million people are in crisis in Somalia alone. Women and children are walking for up to four weeks to the Dabaab refugee camp in Kenya. They arrive with severely malnourished children, and many do not survive.

I am pleased that the Australian federal government is providing more than $80 million in humanitarian assistance through various aid suppliers in the region, including $77 million to United Nations agencies like the High Commissioner for Refugees and the World Food Program, $5 million to the International Committee of the Red Cross and $6.2 million through Australian non-government organisations. Taken together, Australia's contribution makes us the fourth largest donor in response to this crisis, and this contribution goes towards providing food and support directly to people in the affected areas. Australia has responded strongly and quickly to expand on its existing aid program in the area.

But, to put this crisis into perspective, the United Nations estimates that the total humanitarian requirement for crisis is in the realm of $2.5 billion, the shortfall for which still stands at about $600 million, assuming all donations pledged are followed through with. The alternative, of course, is too grim to countenance. Already 2.23 million children are suffering from acute malnutrition. A failure to adequately respond would condemn hundreds of thousands of children to death, millions more to indefinite displacement. And, after the crisis, what then?

If we do not work to address situations such as that facing the Horn of Africa, we will find ourselves facing the same crisis in years to come. Acute needs must be addressed now—we must provide nutrition, water, sanitation and medical support. We must also address chronic needs and help these people to help themselves—providing seed and stock and giving people the opportunity to support themselves. But we must also examine the root causes of such disasters. How did this happen and how did it get so bad? We must, as an international community, strengthen and expand our disaster response. We must examine how we can reduce the risk of such events happening again.

We know this is not the only tragedy in recent times. Just last year, the world stopped as shocking images from the devastating floods in Pakistan appeared on our TV screens and in our newspapers. While it may not be a focus of the media today, the reality is that that situation is also still grim. Every single day, thousands of people are
struggling to survive in Pakistan. They struggle to support their families and to re-establish their livelihoods. Good work is happening and some 350,000 homes have been rebuilt, but 825,000 families still remain without permanent shelter in Pakistan.

In recent weeks, I had the opportunity to meet with the Executive Director of Oxfam Australia, Andrew Hewett, and their Tasmanian state organiser, Clancy Moore, to learn a little bit more about their new GROW campaign. Oxfam, as senators would know, is an international organisation dedicated to fighting against extreme poverty and injustice. Oxfam Australia has programs in almost 20 countries worldwide. Their most recent campaign, GROW, focuses on issues associated with global food security, food price volatility, land rights for producers and both limiting and mitigating the effects of climate change. This campaign is a statement of vision in response to these issues, one that prioritises small-scale producers and redresses the inequities of agricultural resourcing both between nations and within a country where women farmers are often denied access to agricultural aids such as seed varieties or fertilisers. It seeks to improve global governance around food security and the link between aid and social justice.

Oxfam also observes, like the UN's Food and Agriculture Organisation, that the world can and does produce enough food to feed everyone. But up to 30 per cent of that food is wasted worldwide. Thirty per cent of food is wasted worldwide. Much of it would otherwise be exported to generate income and encourage sustainable and expanded farming opportunities. Here in Australia, $5.2 billion worth of food is wasted each year. The amount of wasted food within our own country at this point in time is unconscionable when there is a crisis in the Horn of Africa with so many children suffering from starvation and malnutrition.

Here in Australia, food could go to supporting people who suffer relative disadvantage in our own community. I believe it is worth mentioning organisations that are trying to turn this around, like Second Bite and Foodbank. Second Bite in Tasmania operates to redirect food destined for the rubbish bin to people in need—food that is of good quality and edible.

Part of the solution is understanding what the actual problem is. Programs like Stephanie Alexander's Kitchen Garden—which is now active in three schools in my home state of Tasmania, including Moonah Primary School, which I know quite well—equips students with the knowledge of growing, harvesting and cooking produce right from the source. It is just these principles which we should be aspiring to enable those overseas struggling to feed their families to employ. It is just this logic that should sit behind the goals of our humanitarian aid.

But if the link between food security and domestic education is apparent, it should also be clear that food security is related more generally to issues of development. It is no surprise that institutions primarily concerned with development and community building, like the World Bank—to whose president, Robert Zoellick, Australia last week played host—are part of global efforts to improve access to adequate food. When the price of food skyrocketed in 2008, it was the poorest and least developed nations which were most affected and most in need of the World Bank's emergency Global Food Crisis Response Program, to which Australia contributed $50 million.

Food security, health, poverty reduction and development all go hand in hand. A
A cursory glance at the Millennium Development Goals, the benchmarks for development to which Australia subscribed in 2000, bears this out. Each of these goals depends on the kind of health that can only be achieved with decent nutrition; equally, they recognise that creating sustainable food resources requires a sustainable environment and sustainable communities.

The MDGs should not be just abstract, aspirational goals. Eleven years ago, we committed to actually reaching those goals. Yes, considerable progress has been made to achieve the outcomes and the benchmarks set by the Millennium Development Goals. The first target, relating to halving extreme poverty and hunger, is on track to be met, even if that target is less than the true original goal of eradicating the worst poverty. But others, such as those relating to maternal health and child mortality, will not be met. We should not console ourselves with the notion that the MDGs are ambitious and that failing short is not ideal but is acceptable. It is certainly not. Ten thousand fewer children dying every day should not console us when that represents only a 28 per cent reduction in infant mortality. When 69 million children are still denied primary education, we cannot become complacent. Such figures should spark us into action and stir us to redouble our efforts.

Australia plays an important part in this. Our aid program is considerable; there is no doubt about that. Our aid workers achieve great results, and the aid effectiveness review recently received by the Minister for Foreign Affairs and the government is an indication of the care we take with delivering a high standard, not just a high volume, of humanitarian and development activity. We have committed to 0.7 per cent of our gross national income being directed towards supporting our friends and partners overseas, a financial investment in a safer, fairer, more constructive international community.

Since Labor came to power, we have been building our overseas assistance towards 0.5 per cent of GNI directed at the best, most genuine of individual projects. We have reversed the decline of overseas assistance we witnessed under the previous coalition government, although I do acknowledge that the core need for aid and assistance and the importance of the Millennium Development Goals is recognised by both sides of the political divide today. However, the government has a long lag of catch-up to meet our aspirational target as a result of the Howard legacy of 11 years of decline and neglect.

I know that it is important that support is maintained for reaching our target of 0.7 per cent of GNI. I want to acknowledge the advocacy of a number of community organisations who go about doing just that, who are helping to ensure that is the case, especially non-government organisations like the United Nations Association, United Nations Youth Australia, the Micah Global Foundation, the Oaktree Foundation, RESULTS International and the other partners of the Make Poverty History campaign, who continue their terrific work.

I return to Oxfam, who both locally—I know from meeting the band of volunteers who drive its agenda from International House in Hobart—and in the work they do internationally make a tremendous contribution to civil society and to our humanitarian efforts, helping some of the poorest people on the globe. I again commend the GROW initiative and I support Australia’s continued effort in the alleviation of the terrible situation of famine on the Horn of Africa and beyond. It is together in this place that we can all recognise that more needs to be done, that Australia is doing its
part to address this terrible tragedy of starvation, the first such tragedy in the 21st century. I commend all of those non-government organisations that go about their work each day to ensure that those suffering most are kept alive and that their lives are improved in the face of such a devastating famine and in the face of malnutrition of children in the Horn of Africa.

Livestock Slaughter

Senator BERNARDI (South Australia) (13:54): May I say thank you to the Senate and in particular members of the government for allowing me to fill these few minutes before question time in the matter of public interest debate. No-one that I know could fail to be horrified by the scenes shown on Four Corners of the treatment of some Australian live exported cattle in Indonesia. People will object to those scenes because they do not like to see cruelty. In Australia there are any number of different views about the live cattle export trade. I do not want to specifically talk about that but I would like to talk about the method of slaughter of livestock in this country and something that I think we need to do about it.

There are religious slaughters of livestock that take place, for both the Jewish tradition and the Islamic tradition, to accommodate kosher and halal food requirements. There are people that will object to this on ethical grounds. They do not like the idea of a beast being stuck and bleeding out in order to kill it. There are other people that would also object to it on the basis of religious grounds. They would say, 'I do not want to eat or consume meat that has been killed in such a process or been effectively anointed with the blessing of either a rabbi or an imam.' I make no comment on the relative aspects of that—I have a personal choice about the consumption of meat—but I understand that people should be informed about it. I think this is quite a significant issue because a lot of the time people who do not want to participate in consuming ritually slaughtered or unstunned slaughtered livestock are not made aware of the method of killing.

A very simple way in which this could be accommodated would be for very plain and simple packaging and a clear statement, such as: 'The food you are about to consume has been slaughtered in a ritual or in an unstunned manner.' The exact wording, of course, would take some refinement. Such a process would allow the accommodation of religious beliefs and religious requirements in the preparation of meat. But it would also allow those with either an ethical or a religious objection to consuming ritually slaughtered meat to make an appropriate choice. I have discussed this with members of various religious communities. They are not opposed to the very clear labelling of food in such a manner. But the difficulty may arise when the unwitting consumer is perhaps consuming halal meat or kosher meat and does not want to; they may be surprised about how much of our livestock is actually slaughtered in such a way.

I would propose that the federal parliament consider drafting a bill similar to the bill which was drafted by the New South Wales government, the Food Amendment (Beef Labelling) Act 2009, which came into effect in August 2010. This act addressed the issue of halal and kosher meat labelling. Given the ethical or religious objections or concerns that so many Australians have had highlighted in how their meat is prepared for consumption, I think this would be a very prudent and sensible approach. I am not sure exactly how this could be done, but I have had some discussions with the drafting office. It is all about making the consumer aware of the potential to offend their own sensibilities.
We have made decisions in this regard before. Most recently a palm oil labelling bill went through this House in order to save the orangutans or highlight the issues of orangutans. I think it is absolutely critical that Australians in this day and age can make an appropriate decision about how their meat has been slaughtered, whether it has been stunned before slaughter, whether it has been ritually slaughtered and in the name of which religion it has been slaughtered, and they can free themselves from any of those burdens by making an appropriate choice. Ultimately the market will decide whether these sorts of things should be sustained and continued. I would put that on the table because I think it is a matter of public interest. It is something that this parliament needs to address. I look forward to the opportunity to raise this further in other substantive debates and to perhaps even introduce a bill to this effect at some stage.

QUESTIONS WITHOUT NOTICE

Member for Dobell

Senator FIERRAVANTI-WELLS (New South Wales) (14:00): My question is to the Minister representing the Prime Minister and Minister for Tertiary Education, Skills, Jobs and Workplace Relations and the Minister representing the Minister for School Education, Early Childhood and Youth, Senator Evans. I refer the minister to today's revelation that, in March this year, the member for Dobell lobbied Central Coast Group Training to give his ex-wife a job at the same time as supporting that organisation's bids for federal funding for a jobs incubator. I also refer to Mr Thomson's text message to Councillor Best, the general manager of Central Coast Group Training, saying, 'Bye-bye job incubator', following a radio interview in which Councillor Best expressed his concerns about delays with the GP superclinic at Warnervale. Does the minister condone Mr Thomson seeking this favour for his ex-wife as a quid pro quo for supporting government funding for this jobs incubator and threatening such funding when he did not like public comments made by the general manager of Central Coast Group Training?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:01): I take it that the question really goes to whether I have read the paper. Senator Fierravanti-Wells has, and she repeats claims made in the paper and then seeks to ask me, as if it is something to do with me, about it at question time. Obviously that is a way of getting the issue up. As I understand it, the question of the jobs incubator is a commitment that has been implemented through Mr Garrett's portfolio. I understand that is in the process of occurring. I am sure he has had some contact with the local member about that incubator, and I can certainly take it on notice as to whether that occurred. As to the rest of the matters raised by the senator, they are clearly not within my portfolio responsibilities.

Senator FIERRAVANTI-WELLS (New South Wales) (14:02): Mr President, I ask a supplementary question. Given these revelations, does the minister agree with the comments made by the Prime Minister that the member for Dobell is doing a fine job as a local member and should be around for a 'very, very long time to come'?

The PRESIDENT: The minister can address that part which pertains to the portfolio.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:02): Again this is more about trying to
get an issue up and trying to slur as many people as possible in the process. The Prime Minister's comments are on the record for the Senate to refer to.

Senator FIERRAVANTI-WELLS (New South Wales) (14:02): Mr President, I ask a further supplementary question. What guarantees can the minister provide that he will undertake urgent inquiries about all representations and advice Mr Thomson has given ministers, their offices and departments on applications for funding this jobs incubator under different government programs and inform the Senate of the nature of these representations, particularly whether they supported funding, prior to the Senate rising tomorrow?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:03): The first question was what undertakings can I give them and then somewhere at the end there was a question.

Senator Fierravanti-Wells: I said, 'What guarantees.'

Senator CHRIS EVANS: Guarantees about what, Senator? If you are asking me: does Mr Thomson make representations—

Senator Abetz: No, that you will undertake urgent inquiries.

Senator CHRIS EVANS: I am not going to make urgent inquiries into every representation by Mr Thomson to every minister. That would take a very long time and I am not sure on what basis I could justify that. Do Mr Thomson and every other member and senator in the parliament make representations on behalf of their electorates? Yes. The good ones do, more so than the poor ones. I assume Mr Thomson has made representations to ministers about all sorts of things. Am I going to conduct a trawling expedition to try to ascertain how many, who to and when by tomorrow for you, Senator? Obviously not. That is not a good use of ministerial or public servants' time. If you have a particular question you want to ask we will endeavour to help you with an appropriate answer. (Time expired)

Mining

Senator URQUHART (Tasmania) (14:04): My question is to the Minister for Small Business, Senator Sherry. Is the minister aware of the profit results announced by the country's largest mining companies in recent days? Have these companies agreed to accept the government's minerals resource rent tax? How will the government use the proceeds of the minerals resource rent tax to deliver the benefits of the mining boom to all Australians?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:05): I thank my colleague from Tasmania, Senator Urquhart, for that question. A number of substantial profit results have been announced. Rio Tinto announced last week a record half-year profit of $7.6 billion. Xstrata announced that it has almost doubled its annual profit, to $5.15 billion, and BHP Billiton will announce its profit results later today and, according to media commentary, they are expected to be substantial.

The important thing is that these three companies have agreed to the Labor government's minerals resource rent tax. They do not oppose it, unlike the Liberal and National parties, which oppose the mining tax. The proceeds of the mining tax will be going to strengthen the broader Australian economy. The proceeds of the mining tax will flow through to business and to individuals, particularly in the form of superannuation. Not one cent of the mining...
tax revenue will flow to the budget bottom line. It will all be returned to the community, particularly to the business community.

Let me give some examples of how the proceeds will be spent. We will be reducing company tax to 29 per cent for the 2013-14 income year, with a more rapid cut for small business. There will be a new, accelerated depreciation arrangement. Currently, the maximum write-off is $1,000; this will be increased to $6,500 for small business—a significant benefit to small business. We will be cutting the tax on savings through a 50 per cent discount of up to $1,000 on interest income. These are a few examples—(Time expired)

Senator URQUHART (Tasmania) (14:07): Mr President, I ask a supplementary question. Can the minister outline to the Senate how Australians will receive better retirement incomes through the government's tax reforms funded by the mineral resources rent tax?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:09): As I have outlined, the proceeds from the mining tax are used to strengthen the economy. They are used to reduce company tax and to assist small business. They are being used to increase the superannuation savings of Australians by billions of dollars. Importantly, those savings not only increase personal savings for retirement, they strengthen the Australian economy. We heard a lot of opposition from the Liberal-National party in 1992-93 opposing compulsory superannuation, predicting doom and gloom, predicting mass unemployment, predicting that the economy would be disrupted by the introduction of compulsory superannuation. They make the same prediction again. Of course, it did not happen. You will rarely find anyone who will criticise compulsory superannuation in this country because it strengthened the economy, it strengthened investment and it strengthened jobs. That is the sort of program that this Labor government is determined to deliver. (Time expired)

Carbon Pricing

Senator MASON (Queensland) (14:10): My question is to the Minister representing
the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to a Bligh government commissioned report tabled in the Queensland parliament yesterday showing that my home state's growth will be cut by 2.76 per cent to the year 2020 under a carbon tax compared to federal Treasury's initial estimate of a reduction of just 0.3 per cent. How can the minister claim that this tax is good for Queensland and for Australia?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:10): We believe pricing carbon is good for this country's future for the same reasons that John Howard did when he committed to introducing a price on carbon—something you voted against despite that so-called election mandate. The reasons are these: to continue to be a first-rate economy you have to be a clean energy economy, and the way you move to a clean energy economy is to price carbon. Those on the other side would pretend to the Australian people that they have a plan to deal with climate change. What they have is a massive taxpayer funded, bureaucratically managed, government-picking-winners scheme that will not achieve the outcome it is supposed to but will impose a cost on Australian families.

In relation to the modelling, I would invite the senator to look at the totality of the modelling which I think he is referring to. He talked about a report. I assume he is talking about the modelling which we discussed yesterday. It shows that Queensland's gross state product continues to grow strongly under a carbon price, 3.5 per cent above the national average, that over 470,000 new jobs will be created and that real wages will continue to grow. The Queensland economy will continue to grow. What this shows us is that our economy can continue to grow, our jobs can continue to grow and our incomes can continue to grow with a carbon price. Those are the facts in the face of the unfair scaremongering campaign that those opposite are engaged in. It is really extraordinary when you see some senators in this place who used to advocate for a carbon price now jumping aboard the scaremongering campaign. (Time expired)

Senator MASON (Queensland) (14:13): That wasn't me, Penny. Mr President, I ask a supplementary question. Given that the authors of the report, Deloitte Access Economics, are yet another in a long list of experts to reject the Gillard government's wildly optimistic assumptions about an emissions trading scheme being embraced internationally, how can the minister justify imposing a tax on the people of Queensland and Australia whose impact, reach and severity are unmatched by any other government in the world?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:13): I do not accept the premise of the last part of that question at all. I think it is just extraordinary that senators who used to support a price on carbon come into this place and start to make a range of assertions about the sky falling in. The reality is that we can continue in Queensland and across Australia to increase our incomes, to grow our economy and to increase jobs with a carbon price. But the difference is that the carbon price will ensure there is an incentive for people to invest in clean energy and clean energy technology. It is about a transition that the coalition simply do not want to front up to. We can continue to grow jobs, grow our economy and grow our incomes with a carbon price.

Senator MASON (Queensland) (14:14): Mr President, I ask a further supplementary question. Will the Queensland economy, according to this report, grow more slowly because of the imposition of a carbon tax?
Senator WONG (South Australia—Minister for Finance and Deregulation) (14:14): We have put out our modelling and it makes very clear that the economy can continue to grow. The interesting question for a Queensland senator would be: does he accept any amount of impact on his state from climate change?

The reality is that we know there are a great many aspects of not only Queensland but across Australia that will be affected by climate change—our economy and our society. I would invite those opposite to look at what scientists tell us about—

Senator Mason: I rarely take points of order, but I did ask specifically whether the report said that the Queensland economy would grow more slowly than it otherwise would because of the imposition of a carbon tax. The question is quite specific.

Senator Ludwig: On the point of order, the minister has been answering the question. The point of order does not go to the substance of what the matter is, other than simply repeating the question. I assume the point of order concerned whether or not the answer was directly relevant, although it is unclear from the point of order taken. But the minister has been directly relevant to the question asked and has been answering the question.

Senator Abetz: Nobody can suggest she has been directly relevant.

Senator Ludwig: Those opposite are unruly, but from the government's perspective there is no point of order.

The PRESIDENT: The minister still has 22 seconds remaining to address the question.

Senator WONG: As I was saying, I would have hoped that the Senator would recognise the risk that climate change poses to his state's economy and to the broader Australian community. Presumably, that is why he supports the coalition's direct action policy, which achieves the same outcome at higher cost to the Australian economy, including Queensland. (Time expired)

Hicks, Mr David

Senator WRIGHT (South Australia) (14:17): My question is to the Minister representing the Attorney-General, Senator Ludwig. Last November the United Nations Human Rights Committee sought a response from the Australian government to a complaint made on behalf of David Hicks in relation to his incarceration at Guantanamo Bay and the plea agreement that saw his return to Australia. The government was required to respond within six months, but indicated that it would take a further three months in order to fully address the issues and consult with the stakeholders. Which stakeholders has the government consulted on this matter and what are the outcomes from this consultation?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:17): I thank the senator for her question. There were media reports around 21 August that reported details of Mr Hicks's submission to the United Nations Human Rights Committee and these media reports went to a number of claims in respect of Australia and its human rights obligations. One of the demands was for compensation and an apology from the federal government. The government's response to that submission was, I think as correctly outlined, due to be lodged with the Human Rights Commission in May. But this has been delayed until the third quarter of 2011. It is, I am advised, expected to be released very shortly.
I am aware that Mr Hicks has submitted a communication to the UN Human Rights Committee under the First Optional Protocol to the International Covenant on Civil and Political Rights. The government is at this point preparing a comprehensive response to that communication and it will be provided very shortly.

The government acknowledges that there is a wide range of views in the community on this topic and on the allegations made in the communication. I can say that it is for the UN Human Rights Committee to consider the claims raised by Mr Hicks and the government's response to those claims.

Accordingly, in answer to the question about the broader issue, it would not be appropriate for the government to engage in a running commentary outlining some of the issue raised today. We will be providing a comprehensive response to this matter—

Senator Bob Brown: Mr President, I rise on a point of order. A significant component of Senator Wright's question concerned who it was that the government had consulted. The minister should address that.

The President: I believe the minister is addressing that. If I heard correctly at the end of the question, the minister has 10 seconds remaining.

Senator Ludwig: I am providing the answer at the moment. Although I will see if the Attorney-General wants to provide any additional information, ostensibly it is not appropriate for the government to engage in running commentary on the allegations or the submission—(Time expired)

Senator Wright (South Australia) (14:20): Mr President, I ask a supplementary question. It is nine months after the committee initially sought a response.

The President: The question?

Senator Wright: On the basis of that answer it sounds like it may be 10 months before the response arrives—

The President: You need to come to the question.

Senator Wright: Doesn't this failure to respond show a lack of respect for the committee's procedures?

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:20): Not in the least—

Senator Bob Brown: Mr President, I rise on a point of order. You have called for Senator Wright to state the question rather than make a preliminary statement, which is allowed in standing orders. I asked yesterday about a long series of comments made the day before by Senator Abetz in leading to a question. I ask you, if you would, to look again at the rules regarding preliminary statements to questions and make the judgment from the chair consistent.

Senator Chris Evans: On the point of order, I think Senator Brown raises the other side of the issue that I have raised with you a number of times, which is the way that senators have debated an issue and made derogatory remarks and then asked a question. I think it might be useful for the Senate if you could distribute to all senators a summary of what is acceptable practice as to the framing of remarks in the lead-up to a question, given that there has been quite a bit of debate about this in recent months. Obviously it is up to you to rule on this point of order but I think it might assist all senators if we could pull that together into one piece of advice.

The President (14:22): I will undertake to look at that but I am sticking by the ruling: people should not be making a
statement as part of a question. The question should be a question to the minister.

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:22): Can I say at the outset that the government takes its obligation in this matter very seriously. It is a requirement to address the UN committee. I have no further information other than that the government's response to the submission was due to be lodged with the Human Rights Committee in May but this has been delayed until the third quarter of 2011. I will undertake to seek from the Attorney-General whether or not he will provide any additional information and some further explanation for the senator in respect of the delay until the third quarter of 2011. I do not have anything in the current brief which advises me of the reasons for the delay—whether it is a procedural matter or whether it is due to a range of factors that I do not want to speculate on. I will seek that additional information.

Senator Wright (South Australia) (14:23): Mr President, I ask a further supplementary question. Given the time delay and given the substantial resources which have been applied to new legal proceedings against David Hicks to seize profits from his book, what are the government's priorities? Is the government more concerned about stopping Mr Hicks profiting from his book or more concerned about curbing his ability to speak out about the role of the former government in his incarceration and plea agreement?

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:24): The government does take seriously the requirement to lodge a response with the Human Rights Committee and we are in the process of preparing that. It will be lodged, as I understand, very shortly. As to the proceeds of crime legislation, I am aware that the Supreme Court of New South Wales has granted a restraining order in relation to literary proceeds action being taken against Mr David Hicks. The decision to commence literary proceeds action under the Proceeds of Crime Act was made by the Commonwealth Director of Public Prosecutions following an investigation by the Australian Federal Police. The Commonwealth Director of Public Prosecutions makes these decisions and not the government, as may have been assumed by part of that question. As the matter is currently before the courts, it is not appropriate for the Attorney-General to provide any additional information. (Time expired)

Carbon Pricing

Senator Birmingham (South Australia) (14:25): My question is to the Minister representing Minister for Department of Climate Change and Energy Efficiency, Senator Wong. I refer the minister to the submission to the government from the Energy Supply Association of Australia regarding Labor's carbon tax, which warns that:

Systemic failure or financial distress among major retailers would increase volatility and risks in the energy market, reduce competition and potentially undermine system reliability and security of supply.

Given the ESAA claims—

Senator Cameron: Simon, why did you do a backflip on climate change?

Senator Bernardi interjecting—
The PRESIDENT (14:25): Order, on both sides! Senators Cameron and Bernardi! Senator Birmingham is entitled to be heard when he asks the question.

Senator BIRMINGHAM: Given the ESAA claims there are 'serious deficiencies in the carbon tax plan', will the government guarantee that Australia will continue to have secure electricity supply without the need for additional multibillion-dollar bailouts or assistance packages?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:26): I make a couple of points in starting the answer to that question. The first is, the government has made—

Senator Ian Macdonald: Just answer the question please.

Senator WONG: I am seeking to answer it, Senator Macdonald. The government has been absolutely focused on ensuring energy security in the development of its clean energy package and you will see from the range of measures in the package that energy security has been a priority. You will also see not only in relation to the payments in assistance to generators but also in the pursuit of a contract for closure and the involvement of the relevant regulators the government has been very clear about the critical nature of ensuring the security of energy supply.

The second point I would make is that if the senator is concerned about these matters he ought to look at his own policy. Under the direct action policy funded by taxpayers, and the $1,300 per year impost on Australian families, the coalition is proposing also to shut down coal fired power generators in the Latrobe Valley and replace them with gas. I am referring to public statements made by members of the coalition front bench.

Senator Abetz: So how is this relevant to the question?

Senator WONG: It is relevant, Senator Abetz, because you cannot come in here and ask questions about energy security pretending that you care about it when you are so recklessly proposing, without thinking through the energy security issues, a range of taxpayer funded purchases of abatement that even your own frontbench cannot defend and be consistent on. We have had the member for North Sydney confirming that the coalition's policy was to shut down coal fired power generation. (Time expired)

Senator BIRMINGHAM (South Australia) (14:28): Mr President, I ask a supplementary question. Given the serious deficiencies identified in the carbon tax by the ESAA, won't this undermine electricity security, the very threat of which leads to business uncertainty and to job losses? What contingency plan does that do not have to deal with the system reliability concerns in energy with suppliers so as to protect Australian jobs and businesses?

Senator WONG: The government has established under the clean energy package an energy security fund to mitigate any energy security risks. We have allocated $5½ billion dollars over six years to help the transmission of highly emissions-intensive coal fired electricity generators. We have also committed to run an expression of interest process to close around 2,000 megawatts of highly emissions-intensive coal fired electricity generation capacity before 2020. The provision of assistance to the energy sector is about maintaining energy security and supporting the sector's transformation to a new low-emissions future. Mr President, I would make the point if those opposite are seriously concerned about business certainty then they would back the carbon price, because the thing that is preventing or stymieing investment in the energy sector is the uncertainty over pricing carbon. That is what is stymieing certainty in
the energy sector, aided and abetted and encouraged by the opposition. *(Time expired)*

**Senator BIRMINGHAM** (South Australia) (14:30): I have a further supplementary question, Mr President. Given the minister has only been able to highlight measures that energy suppliers have described as seriously deficient, is the minister concerned about the uncertainty that is being generated by the carbon tax? How is this uncertainty surrounding electricity reliability impacting on business confidence and therefore business investment in the economy at present? Isn't the very threat of Labor's carbon tax plan already casting a dark shadow over the Australian economy?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:30): The dark shadow over the Australian economy is caused by the unbelievably reckless talking down of the economy by those opposite. They come in here and talk about uncertainty, after talking up uncertainty and talking down the Australian economy, refusing to provide business with any certainty and even adding to it by saying, 'Oh, you'd better not buy anything; we'll rip the contracts up.' We know those opposite are quite happy to attack the Australian economy in their bid to attack the government, and what that shows is how completely economically reckless they are. And to come in here and talk about certainty and talk about confidence when they have members of their frontbench likening the Australian economy to that of Greece just shows how appallingly economically reckless this coalition is.

**DISTINGUISHED VISITORS**

The **PRESIDENT**: I draw to the attention of honourable senators the presence in the gallery of an APEC delegation from South Korea. On behalf of all senators, I wish you a warm welcome to Australia and in particular to the Senate.

**Honourable senators**: Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Manufacturing**

**Senator CAMERON** (New South Wales) (14:31): My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Given growing concerns with the two-speed growth in our economy, can the minister outline to the Senate what he is doing to help manufacturers capitalise on the $430 billion in the resource sector investments pipeline?

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:32): I thank Senator Cameron. The Minister for Resources and Energy and I today announced new measures, through the $50 million Buy Australian at Home and Abroad strategy. Peter Beattie will promote local industry as a supplier envoy for the resources sector and Dennis O'Neill will also take the post of steel supplier advocate to champion the industry as it works to secure its future. We will also convene a national forum to ensure we can maximise the impact of the buy Australian measures.

**Honourable senators interjecting—**

The **PRESIDENT**: I remind senators on both sides the time to debate the issue is after three o'clock.

**Senator CARR**: These are measures which are about building the capabilities of local firms and building the partnerships that link them to real opportunities wherever they are and wherever we can develop those relationships. Whether it is in major public infrastructure or whether it is in a big resources project or whether it is in the NBN, we are in the business of ensuring that Australian firms do get the fair go they deserve to compete. Just as we expect our
athletes to perform and to meet international competition head-on, and we do so by providing them with the training necessary to make sure they are successful, this is the type of program that provides support to our companies. We are boosting firm performance through Enterprise Connect. We are also finding wherever the strengths of industries exist and ensuring that every possible opportunity is taken through the industry capability networks. We are putting local industry experts right at the heart of the procurement teams for major contracts through the Supplier Access to Major Projects program. We are promoting local industry—(Time expired)

**Senator CAMERON** (New South Wales) (14:34): Mr President, I ask a supplementary question. How does the minister justify his confidence in the ability of local firms to compete?

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:35): We have established now advocates in the steel industry, in rail, in resources, in water, in auto—

_Honourable senators interjecting_

**The PRESIDENT:** Order on my left and on my right! I know that you are at the other end of the chamber but that is completely disorderly because I cannot hear the minister.

**Senator CARR:** We have established a whole series of advocates in a number of industries.

_Senator Joyce interjecting_

**Senator CARR:** Oh, Senator Joyce wants to have a crack. The doormat from the north wants to have a crack.

_Senator Joyce interjecting_

**The PRESIDENT:** Senator Sherry! Senator Carr, address the question and ignore the interjections, which are disorderly. Address the chair.

**Senator CARR:** Those opposite would be keen to know, I am sure, that this is an approach that actually works. It makes sure that we get our customers, our contracts and their dollars together. Take, for instance, the coalmining areas and China. Australian industry specialists have been put on the ground, at a cost of some $150,000, and as a result they have been able to secure 13 contracts worth $42 million for Australia. In the past three years, supplier access programs have helped local firms secure $1.8 billion in contracts that otherwise would have gone offshore. We have seen the missions led by Steve Bracks and John Conomos which have recently yielded $60 million of new work in the automotive industry. (Time expired)

**Senator CAMERON** (New South Wales) (14:36): I have a further supplementary question, Mr President. Can the minister inform the Senate of what the government is doing to lift the tax burden on Australian companies who are doing it tough?

_Honourable senators interjecting_

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:37): Ministers in this government know that the resources rent tax has been the basis on which we can ensure that company tax rates can be reduced to 29 per cent. Honourable senators interjecting—

**Senator CARR:** What this government is doing is providing the wherewithal to support new investment. What this government is doing is providing the support
for small business so it can move through these difficult periods and ensure its own future. This is a government that knows about how firms can regroup, reskill and redevelop opportunities. Unlike those opposite, who have shown nothing but contempt for the industries that have to go through this period of adjustment, we are in the business of taking practical measures to ensure the future of Australian industry and to ensure the future of high-skilled, high-wage jobs in this country. You, on the other hand, Senator Abetz, have not even signed up to any measures to support manufacturing, to support the steel industry or to support our major companies. (Time expired)

Senator Ian Macdonald interjecting—

The PRESIDENT: Order! Senator Macdonald, I am waiting to call on someone on your side to ask a question. Senator Fawcett.

Automotive Industry

Senator FAWCETT (South Australia) (14:38): Mr President, my question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. I refer to the Prime Minister's claims at her joint press conference on Monday that the government has been 'strongly engaged with cleaner, greener cars and with cooperative research centres'. How does the minister reconcile the Prime Minister's statement with the fact that the government abolished the Green Car Innovation Fund in January this year and, in May, cut the cooperative research centre's budget by $33 million? Will the minister explain to the workers at GMH at Elizabeth in South Australia the inconsistency—

Senator Wong interjecting—

The PRESIDENT: I withdraw. What the PRESIDENT: There should be silence.

Senator FAWCETT: Will the minister explain the inconsistency between the Prime Minister's claims of Monday and the cold, hard facts of what really has occurred?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:40): Senator Fawcett, I appreciate that the coalition tactics committee, from time to time, will hand you the ultimate hospital pass when it comes to question time. You ought to take the advice of Senator Heffernan and hand back this sort of rubbish. What you will learn, Senator, after you have been here a little while, is that Senator Abetz—

The PRESIDENT: Senator Carr, I draw your attention to the question. Come to the question.

Senator CARR: Mr President, Senator Fawcett would be only too well aware, as Mr Abbott revealed again just last week, that the coalition is committed to further reducing support for the automotive industry. A further cut of $500 million is proposed by the coalition as part of the $70 billion campaign to smash Australian industry. You are in the business, Senator Fawcett, of ripping the guts out of the Australian economy, and yet you are kind enough to come in here to fulfil the work of Senator Abetz and put up that sort of nonsense to this government.

What we have here is the sheer hypocrisy of those on the other side. They run around factories and make well of people's distress and difficulties in this time of economic adjustment, while at the same time they pursue policies which would destroy jobs, destroy companies and cut the guts out of the capacity of the Australian government to stand shoulder to shoulder with firms, to stand shoulder to shoulder with regions and
to stand shoulder to shoulder with workers. You are in the business of destroying jobs, of cutting workers away from their entitlements, smashing the automotive industry and smashing manufacturing, and you want to ask a silly question like that.

Senator FAWCETT (South Australia) (14:42): Mr President, I ask a supplementary question. Why should anyone believe the minister when he has just talked about the benefit of advocates and yet the government has failed to fill the steel advocate's position since January this year, when Mr Benjamin stepped down? Minister, why should anyone believe the local content announcement that the government made on Monday, given that it made the same announcement two years ago? Aren't steel industry leaders correct when, in recent months, they said, 'This government shows a complete ignorance of manufacturing, does not want to listen, is engaged in economic vandalism and doesn't care whether there are manufacturing jobs in Australia?'

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:42): The government ensures that it talks to people before it makes appointments. What we have done with the appointment of the steel industry advocate is to ensure that the Steel Industry Innovation Council is being consulted. We make sure that we get the job done. Your position, Senator Fawcett, is to oppose support for the steel industry; your position is to take away support from the steel industry. So it is somewhat audacious for you to then ask the question as to why we have taken a few months to talk to people before we fill these positions. We have indicated, through the buy Australian campaign, that we are in the business of building the capabilities of Australian firms. Just as we talk to our athletes about international competition, we talk to Australian companies about training them to ensure that they are with the very best when it comes to international competition. We are in the business of creating opportunity. (Time expired)

Senator FAWCETT (South Australia) (14:43): Mr President, I ask a further supplementary question. After all the rhetoric, given that this government has been responsible for cutting the Green Car Innovation Fund, the failed cash-for-clunkers scheme, downgrading the LPG Vehicle Scheme and is now presiding over the decline in other industries such as steel manufacturing, can the minister explain why Australia's manufacturing industry should have any confidence at all in this government?

Honourable senators interjecting—

The PRESIDENT: Order! I remind senators on both sides who are wishing to debate the issue should do so after three o'clock.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:45): I have indicated that just last week Mr Abbott confirmed the coalition policy was to cut assistance to the automotive industry. I have been able to point out to the Senate on numerous occasions that the opposition have a policy to actually reduce assistance to manufacturing right across the board. Yet, this is an opposition that will stand there with crocodile tears and make claims about their commitments to manufacturing. It is completely in contrast to the actuality of what their policy positions are about. They are in a position of increasing costs to manufacturing and increasing costs to individual companies while, at the same time, asking for a reduction in the taxes that mining companies should pay. They are all about perpetuating injustice, they are all about perpetuating the inequalities in this country and they will
never, ever face up to their responsibility to build a new society and a new country that actually gives everybody the opportunity to participate fully in our prosperity. *(Time expired)*

**Apple Imports**

**Senator XENOPHON** (South Australia) (14:46): My question is to the Minister representing the Minister for Trade, Senator Conroy. On 1 February 2011 the Australian and New Zealand delegations to the WTO jointly advised the World Trade Organisation that Australia would be in a position to issue new permits for the importation of apples from New Zealand on 17 August 2011. This announcement was well prior to the completion of the import risk analysis Australia was required to undertake. In fact it was before the Biosecurity Services Group had conducted the visit to New Zealand upon which Biosecurity Australia had purported to base its recent risk analysis. So on what basis was this agreement made and this date chosen given the import risk analysis had not been completed in February? Why shouldn't Australian apple growers and pear growers conclude that no later than 1 February the outcome of the risk analysis had been fixed so that New Zealand apples were coming to Australia?

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:47): I thank Senator Xenophon for his question. Under WTO rules Australia had an obligation to implement the outcomes of the apples dispute either immediately or within a reasonable period of time. The Australian government decided to implement the outcomes by a scientific review of the existing 2006 import risk analysis. The reasonable period of time can be set either by agreement between the parties or by an independent arbiter. The New Zealand and Australian authorities negotiated a period of eight months to complete this review, putting Australia in a position to issue import permits by 17 August 2011. If it had been left to an arbiter it is likely that Australia would have been given less time to implement the findings.

**Senator XENOPHON** (South Australia) (14:48): Mr President, I ask a supplementary question. In fact it is 6½ months, not eight months, Minister. Will the minister agree that, if Australia had not issued that note on 1 February 2011, it would now not be seen to be in breach of any WTO obligations and that it was actually the government's action of nominating a date for an import that now puts Australia in a precarious position with the WTO?

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:48): No. It is likely that if we had not negotiated that period with New Zealand we would have had less time to implement the outcomes of the dispute.

**Senator XENOPHON** (South Australia) (14:49): Mr President, I ask a further supplementary question. Can the minister confirm that the Australia New Zealand Closer Economic Relations Trade Agreement covers almost all trans-Tasman trade in goods, including agricultural products, and that under ANZCERTA all goods that originate in Australia may be imported to New Zealand with no tariffs? Therefore, would any decision by the WTO in fact not affect New Zealand's obligation to maintain the duty-free flow of goods from Australia under ANZCERTA?

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CHAMBER
Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:49): The government does not agree with this statement. There is nothing in the treaty that prevents New Zealand from imposing retaliatory tariffs consistent with New Zealand's rights under the WTO. The WTO would not consider the provisions of the treaty in determining whether New Zealand could retaliate. It would only look at the parties' rights under the WTO agreement.

Carbon Pricing

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:50): My question is to the Minister representing the Minister for School Education, Early Childhood and Youth, Senator Evans. Given that schools are already struggling with rising power costs, can the minister explain how schools will meet additional costs from the government's carbon tax without the need to raise school fees or require increased assistance from state governments?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:50): I thank Senator Nash for her question. This is very similar to a set of questions that were asked last week which sought to make the accusation that universities would close, that public hospitals would close and that there would be terrible wreckage throughout the economy. I make the point to the senator—that the funding arrangements for schools and other publicly supported areas of the economy have formulas which allow for responding to increases in the costs of those sectors. The way that is measured varies across sectors and different indexes are used. Clearly any extra costs that are imposed on schools would be compensated in adjustments that were made in their funding measures.

I point out that if Senator Nash and the opposition were genuinely interested in schools they would have supported our huge investment through the BER in every primary school in Australia. That is $16 billion of new facilities. It is interesting: there has been $16 billion of investment in every school in Australia, yet, despite opposing those things in this parliament, when they turn up at the openings there is no mention of their opposition.

The PRESIDENT: Senator Evans, I draw your attention to the question. You have 15 seconds left.

Senator CHRIS EVANS: The question, Mr President, referred to funding for schools. No government in the history of the Commonwealth has done more to fund schools in this country than this government—good investment in the future of our kids.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:53): Mr President, I have a supplementary question. Given that the minister does indeed know that my interest in education is entirely genuine, what guarantee can the minister provide to the Senate that schools, particularly those in regional Australia, will not be left behind should the states not meet increased costs with additional funding?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:53): The senator's genuine interest in education does not defend her asking a really
quite inane question that is part of a political argument to again try to scare Australians. The reality is, as I explained to the senator, that the indexation arrangements will provide for any increased costs that schools incur. If the National Party were really interested in the imposition of electricity costs on schools, they would have a chat to governments like the Western Australian state government, which has put electricity prices up by over 50 per cent in the last three years without one cent of compensation to anybody. So for the coalition to come into the parliament and say, 'We're really concerned about compensation for an approximately seven per cent increase in electricity,' means that quite frankly they have no credibility. It is a silly, political tactic. Interest in schools means supporting serious investment in schools, which is what this government has done.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (14:54): Mr President, I have a second supplementary question. I ask the minister: given that schools in remote Australia rely on air transport of goods, what will the minister do to address the concerns within the remote school community that the carbon tax will blow out costs because of the inevitable rise in aviation fuel?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:55): Talk about a fear campaign on a fear campaign on a fear campaign. Now it is the cost of aviation fuel that might impact on goods to regional schools. Let's be serious. If you want to talk about investment in rural education, look at this government's massive investment. Look at the $500 million EIF round we have just opened for investment in rural and regional higher education—$500 million available to ensure that universities in regional Australia get support.

Senator Nash: Mr President, I raise a point of order on relevance. I specifically asked the minister about remote school communities that I have visited, and I would be interested to know whether the minister has as well. It is on relevance: I specifically asked about what he was going to do for those remote school communities.

The PRESIDENT: The minister has 28 seconds remaining.

Senator CHRIS EVANS: What we are doing is investing in every regional school and every remote school. They have all got BER funds to help them build extra classrooms, extra libraries, extra school halls—extra facilities. So the schools you are talking about, Senator Nash, all have a BER project that provided facilities. There has been $16 billion of funding and you want to talk about the price of aviation fuel? Get serious, because quite frankly you are not behaving very seriously now.

Trade

Senator FURNER (Queensland) (14:57): My question is to the Minister for Agriculture, Fisheries and Forestry, Minister Ludwig. Can the minister please outline to the Senate the importance to trade of Australian agriculture? Can the Minister inform the Senate of any recent examples of the government's strong trade practices?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:57): I thank Senator Furner for his question. Australia is a great trading nation. We do have a proud history of trading in agricultural products on the world stage. Last year, Australian farmers exported $30 billion worth of products all around the
world. Australian products are world class
and Australian farmers are world class. That
is why we compete in the global market. The
best interests of Australian farmers who want
their products being brought to market all
around the world are served by ensuring that
international trade is open and equitable and
is enforced. Australia's membership of the
WTO, a rule based global-trading regime,
has been at the heart of our success as a
trading nation. The enforcement of WTO
rules has benefited Australian agriculture
products and producers right across.

It is worth noting that, through a science
based import risk assessment, the Howard
government approved the importation of pig
meat from all countries into Australia, salmon
from all countries into Australia and
table grapes from the United States and Chile
into Australia. Through the WTO, Australia
has had many wins, including improved
market access for lamb in the United States,
removal of unfair beef imports and
marketing practices that impacted on
Australian exports to Korea, which paved the
way towards a fourfold increase in beef
exports and improved market access to the
EU for Australian sugar which, the Aus-
tralian Sugar Alliance commented, 'demon-
strates WTO rules do work'. The Gillard
government strongly sup-
ports the Australian farmers, growers and producers and their
ability to sell products right around the
world. This means the government will
always support sensible policies that protect
Australia's biosecurity and also protect
Australia's ability to participate in the global
market. (Time expired)

Senator LUDWIG (Queensland—
Minister for Agriculture, Fisheries and
Forestry, Manager of Government Business
in the Senate and Minister Assisting the
Attorney-General on Queensland Floods
Recovery) (15:00): I thank Senator Furner
for his first supplementary question. The
Senate may be interested to know that there
is much support for Australia's strong trading
relationship—an active role in the WTO
process that the rules based system provides
for Australia as a participant.

Ms Julie Bishop, the shadow foreign
minister, said on 19 August to the
Australian:

We remain committed to the WTO rules-
based framework to Australia honouring its inter-
national obligations. I am going to ensure that we
don't deviate from that.

Despite this support, there has been no
shortage of attempts by the Liberals and the
Nationals to risk Australia's trading
relationship and risk the livelihood of the
very farmers they are supposed to represent.
The most recent of these was the ill-
conceived and protectionist bill prepared by
Mr Cobb that could have put at risk $110
million worth of sugar we send to New
Zealand, the $39 million in Tasmanian
chocolate exports or the $52 million— (Time
expired)

Senator FURNER (Queensland) (15:01):

Mr President, I ask a further supplementary
question. Can the minister please outline any
further risk to Australia's trade in agricultural
goods?

Senator LUDWIG (Queensland—
Minister for Agriculture, Fisheries and
Forestry, Manager of Government Business
in the Senate and Minister Assisting the
Attorney-General on Queensland Floods
Recovery) (15:02): I thank Senator Furner
for his second supplementary question. Australia
needs to be an active participant in
the WTO and not simply close the shutters between Australia and the rest of the world. It is clear that the biggest risk to Australia's agricultural trading relations is the Liberal-National party coalition. There is nothing more that the self-professed weathervane will not sell, including Australia's farmers and industry. Nowhere is this more starkly apparent than with the palm oil issue. The position of the opposition on this matter would see $150 million in compliance costs on industry. This cost is borne by industry and it would be to the benefit of only Mr Abbott's cheap political stunt. That would add to the regulatory burden of the industry. For Australian farmers, growers and producers, the most troubling aspect of the opposition's position is that, if passed, it could be—

**Senator Chris Evans** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (15:03): Mr President, I ask that further questions be placed on the Notice Paper.

**PETITIONS**

**Marriage**

**Senator Boswell** (Queensland) (15:03): by leave—On behalf of Senator Polley and myself, from Tasmania and Queensland respectively, I table a petition of 52,000 signatures supporting the current definition of marriage as outlined in the Marriage Act—namely, that marriage means a union of a man and woman to the exclusion of all others, a union that is voluntarily entered into life.

The **Deputy President**: It is probably not the appropriate time to be lodging a petition.

**QUESTIONS WITHOUT NOTICE:**

**TAKE NOTE OF ANSWERS**

**Carbon Pricing**

**Senator Joyce** (Queensland—Leader of The Nationals in the Senate) (15:04): I move:

That the Senate take note of answers given by the Minister representing the Minister for Climate Change and Energy Efficiency (Senator Wong) to questions without notice asked today by Senator Mason in relation to carbon pricing.

I also note that question time has been shut down in the other place. There must be a little bit of pressure over there. It is very interesting. The sort of thing that brings about that pressure, on one of the first times that we can recollect that they have actually shut down question time—and that has not happened for a long, long, long time—is that they probably do not have full confidence in what is going on. They are probably generally doing a fine job over there, and these are words that are going to resonate in our heads: 'a fine job'. That is what the member for Dobell was doing: a fine job. He was going to be there for a long, long, long time. Now it looks like it could be a couple of days. And there is 'full confidence' in the member for Dobell.

One of the things that bring about this lack of confidence is that the Queensland Treasury has presented a range of figures pertaining to the assessment of a carbon tax. And remember that the Queensland Treasury, administered by the Queensland Treasurer and member of the Labor Party, has presented a set of figures that are entirely different to what this Treasury has presented on the carbon tax. They are two completely different sets of figures. How could this be, pray tell? We do not seem to have full confidence in what is going on these days. It has not been a long, long, long time, but it
seems to be coming really, really, really unstuck.

We can look at the tabled presentations by the Queensland Treasury. We cannot get the tabled presentations from the federal Treasury. They are hiding them; they do not want us to see them. It is secret squirrel stuff. And that is another thing we could talk about: things they keep secret. When they actually present the figures we find that regional towns in Queensland are going to be smashed by a carbon tax. This broad based consumption tax, delivered to you via every power point in your house, will do absolutely nothing about the temperature of the globe. It is merely a gesture. We see people who should be standing up for manufacturing jobs, sitting opposite me today, who should be standing up for working families, but all they want to stand up for is the Greens. That is who they support now: the Greens, the party that has been destroying the Labor Party. It is tearing the Labor Party asunder. The Labor Party is a slave to the Greens, and they are tearing it apart. It has lost its soul. They are doing it here today and they are doing it in the other place. Why are you doing this to your jobs? Why are you doing this to prices? Why don't you care for these people anymore? Why can't you be fair dinkum and stand up for the real issues? Why do you go on this mad frolic with the Greens? Why have you let them do this to your party? Why do you sit back and watch while this happens? Every figure tells a story. The polling that is happening to you at the moment is for a reason. It is basically a self-inflicted wound, because of your mad taxes, mad associations and warrants for people—'full confidence' and all that other stuff. How did you get yourselves into this position?

If you do not back away from this carbon tax, it will go beyond being an issue for the Labor Party; it will be bad for Queensland and bad for our nation. It is absolutely beyond contempt that you would go to the areas that are actually putting money on the table for our nation. If it were not for regional Australia, the money would not go on the table for us to spend to keep the service industry afloat. It is the money that we get from our raw exports—coal, iron ore, wheat—that keeps this nation going. What a carbon tax does for that, gosh on ly knows.

(Time expired)

Senator LUNDY (Australian Capital Territory—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Immigration and Multicultural Affairs) (15:09): It is my pleasure to have the opportunity to respond to Senator Joyce's
diatribe. The fact of the matter is that a market mechanism like the carbon price is the most economically efficient way of reducing carbon pollution. It creates incentives for large polluters to reduce their emissions and to invest in the clean energy sources of the future, like gas, wind and solar power.

Opposition senators interjecting—

Senator LUNDY: The Minister for Climate Change and Energy Efficiency, Mr Combet—as the senators opposite know very well—has flagged that, when the carbon price is in place, there may be scope to work with state governments to examine other programs that cut pollution at a higher cost.

Far from the fear campaign that we have just heard from the other side of the chamber, we take a responsible position with respect to the future of both Australia and the Australian economy. We know, through Treasury modelling, that the outlook for Queensland and other states as far as jobs go is healthy, but the key conclusion—

Opposition senators interjecting—

Senator LUNDY: Take the time to listen to the facts. The key conclusion of a Queensland Treasury report released yesterday is that, over the period to 2020, Queensland's economy will grow strongly, at an average annual rate of 3.5 per cent, with or without a carbon price, and there will be an extra 474,000 jobs created over that period. This is consistent with Treasury modelling, which shows the economy continuing to prosper and jobs growth strongly nationwide with a carbon price in place.

There is no basis to what we are hearing from the senators opposite. We know, through a whole series of endless debates, year after year, that there was a commitment—with bipartisan support, up to when Mr Abbott took over the leadership of the Liberal Party—to a market based mechanism. Why? Because it is the most efficient and most likely way to help transition our economy to a low-carbon economy. You may stand over there and berate us for not being visionary and all the rest of it, but I am proud of being part of a government that will take this country forwards, not backwards in the irresponsible way that senators opposite are promoting.

Treasury's modelling also shows that the carbon price will see household electricity prices rise by some $3.30 per week, with the total impact on costs for households estimated to be around $9.90 on average. To assist with this—an important fact in this debate that is often neglected by those opposite—the federal government will be providing assistance to households worth $10.10 a week on average, in the form of tax cuts, increases in family payments and higher pensions and benefits. Nine out of 10 households will get this assistance. Almost six million households will get assistance that meets or exceeds their expected average impact on prices, and over four million households, almost half of all households, will get assistance that provides a 20 per cent buffer over and above the expected average impact on prices.

This is not only good policy but it is mitigating the impact on households, which those senators opposite claim they are concerned about. I think there should be some acknowledgment of the fact and the substance of the policy in this debate, rather than empty critique being thrown at us, as we just experienced from Senator Joyce. It is not helping the public debate to approach this in such a base way. The level of political dialogue around the debate on climate change has descended to the bottom of the pit on the opposite side of the chamber. I call on senators opposite to take seriously the substance of the policy of tackling climate
change, to take seriously the substance of lowering our carbon footprint as a country and to take seriously a policy that they once believed in. They were prepared to support a market mechanism in debate on the floor of this place. Why? Because the market is the best, cheapest and most efficient way to put downward pressure on the release of carbon into our atmosphere, therefore allowing us to make a contribution as a nation to the responsibilities we bear to the next generation of not only Australians but young people around the world. If we do not act now, we know, through all of the economic modelling, that it just becomes more expensive and the burden is transferred to the next generation of taxpayers, who will wear the irresponsible actions of the opposition.

(Time expired)

Senator MASON (Queensland) (15:14):
When I was but a wee boy, the leader of the British Labour Party was the Rt Hon. Michael Foot. He had a shock of white hair. He was a great journalist; he was an appalling politician. He believed in unilateral nuclear disarmament. He believed that it was a good idea for Britain to take the lead and unilaterally get rid of its nuclear weapons. He believed that superpower conflict would somehow stop if Britain unilaterally got rid of its nuclear weapons. He believed also that other countries would follow. He was sincere, he was well meaning, he was idealistic and he was wrong. He was very dangerously wrong. The Cold War did not end because of unilateral nuclear disarmament; it ended because of strength by the West.

By the same token, this is a global problem. Temperatures will not fall unless there is global action, and this carbon tax will not make one iota of difference. Australia should never ever apologise for acting in its national interest. The government are undertaking what some commentators have called 'unilateral economic disarmament'. They are actually taking away economic prosperity from our country unilaterally before the rest of the world, hoping others will follow.

I accept that belief in the carbon tax is sincerely held, often with even religious zeal. But it is wrong. It will not make any difference. Why would a country like Australia—which has a marvellous comparative advantage in that it is energy rich and export oriented but is also trade exposed—do this? Why would it introduce a carbon tax? It is not in our national interest. Why would a government do this at a time of international economic crisis, particularly at a time when our trading position is already exposed and weakened? Why would a government do this? How can they argue that this is in our national interest? Why are they doing this? Why would a government impose this punitive tax on its own people when no other government around the world is prepared to introduce a tax of similar impact, reach and severity? Why would a government do this? And, yet, this is what they are proposing to do.

The Labor government will tell us that we have to lead by example, just like the Rt Hon. Michael Foot thought in the 1970s. I would say it is more like being the first lemming to jump off a cliff—and, believe me, there will be no-one behind us. As if any of our competitors are going to shoot themselves in the foot to assist us. As if developing countries like Brazil, Russia, India or China will follow Australia's example and bind their own hands and compromise their own economies. They will not do that. They will not prejudice their national interest and neither should we.

As if the developed world is going to reduce its growth and employment at a time when it is under enormous international
stress. What about the United States of America? When is the last time you even heard President Obama talk about a carbon tax or a carbon pollution reduction scheme? Have we even heard that in months? No. What about the European Union? The European Union is spending more time investigating the fraud in its emissions spot market than actually trading on it. The Treasury modelling on which the government relies to sell this tax to the public is based on an assumption that countries around the world embrace an international trading scheme. That is an assumption of something that Michael Foot found out in the 1970s just does not occur. Countries do not unilaterally act against their own self-interest and neither should we. (Time expired)

Senator CAMERON (New South Wales) (15:19): I am very pleased to enter this debate. I must say that I hope I do not present just a wall of noise like we have heard from both Senator Joyce and Senator Mason. We really need to get back to some facts on this. Why are we doing this? Why are governments around the world saying that we need to deal with carbon pollution? We are dealing with carbon pollution because it is causing massive problems in the environment. The world is heating up. The tides are rising. We know this from all of the eminent scientists who have actually studied this problem. Every scientist who has expertise in this area is warning governments around the world that this is a problem. It is not just individual scientists who are warning about the problem of global warming; it is also NASA. NASA have more expertise than anyone in the world. If you go on their website you will see that the globe is warming, that the tides are rising and that it has nothing to do with solar flares. It is carbon dioxide pollution in the atmosphere that is causing the problem. NASA says it, the Australian Academy of Science says it, the CSIRO says it and the Bureau of Meteorology says it.

I can understand this from Senator Joyce. Senator Joyce is a consistent carbon price opponent and global warming denier. But for somebody like Senator Mason to stand up and run this line when he actually supported a price on carbon under his previous leader, John Howard, is just hypocrisy of the highest kind. Yet we have got conservative leaders around the world actually accepting that this has to be done. John Howard accepted there had to be a price on carbon. Margaret Thatcher accepted there had to be a price on carbon. David Cameron—no relative of mine, I must say—accepts there has to be a price on carbon. Probably the former Leader of the Liberal Party, Malcom Turnbull, says there has to be a price on carbon. So when Malcolm Turnbull says there has to be a price on carbon and that the best way to put a price on carbon is through a market system, what happens? The extremists take over the Liberal Party. The extremists take over the Liberal Party and they destroy Malcolm Turnbull's leadership because he is prepared to accept the scientific reality of the need to put a price on carbon. They assassinate their own leader on the basis of his beliefs on carbon pricing.

Then what did they do? They said, 'We have got to do something because we need to deal with this issue on a political basis. We do not want to deal with it on a scientific basis but we need to deal with it on a political basis,' and they come up with a nonsense called Direct Action. Direct Action, according to the Treasury, will cost every family in this country $720 a year. Our approach on this is to make sure that families are looked after. We accept there will be a cost on families and we have factored that into our approach. The Treasury says the cost will be $9.90 a week. So what do we do? We are saying that most families will get
$10.10 in return, that they will actually get better than the cost of the carbon tax. So we have got an economically viable and economically responsible position to take.

Yet what do we get from Senator Joyce? Senator Mason started talking about wrecking the economy, then at least he thought, 'I had better not go down this way,' so he stopped saying 'wrecking' and he said 'compromising'. He knows it will not wreck the economy. He knows it will not compromise the economy. This is the hypocrisy of people like Senator Birmingham—'Backflip Birmingham'—and Senator Mason going around and changing their whole position on this. They know it will not wreck the economy, because people know that this is the best way to deal with a carbon price. (Time expired)

The DEPUTY PRESIDENT: Before calling the next speaker, I remind senators to be respectful of other senators in this place.

Senator IAN MACDONALD (Queensland) (15:24): Senator Cameron seems confident about his government's carbon tax proposal, which will put increased costs of living upon every Australian. If he is so confident, let us have an election about it. If you want to go the whole hog, let us have a double dissolution. Let's go for it, Senator Cameron. If you believe what you say, get out there and ask the people of Australia what they think about the lies of your leader, Julia Gillard, who promised us just a year ago, hand on heart, 'There will be no carbon tax under a government I lead.' Here we are a year later debating the carbon tax, which is going to destroy the Australian economy for no benefit whatsoever. Senator Cameron might tell me I am wrong. After all these taxes on every Australian, by how much are you going to reduce carbon dioxide emissions by 2020? Even your government's own modelling shows that carbon emissions will go up, not down. Senator Cameron walks out of the chamber because he cannot answer that, because he knows that what I am saying is a truthful reproduction of the Commonwealth government's own modelling.

My own state of Queensland today—as Senator Mason asked about in question time—have done their own modelling. Even they are saying what an impact it is going to have on the Queensland economy. The Queensland state Labor government has done modelling that shows it is bad, the New South Wales state government has done modelling that shows it is bad, the Western Australian state government has done modelling that shows it is bad and the Commonwealth government has done modelling that also shows it is bad.

Senator Cameron talks about the world heating up. Senator Cameron, you have not been following the debate. They do not talk about global warming anymore. It is climate change, remember, not global warming. Statistics over the last two decades show that the climate has either cooled or has certainly not warmed up. He says tides are rising and quotes the CSIRO. I still ask Senator Cameron or the CSIRO to explain to me why 140,000 years ago—a long time—tidal levels were about where they are now, as shown in the CSIRO's graph. The graph shows that, over the next 120,000 years, tidal levels went right down. Then suddenly, 20,000 years ago—this is the CSIRO's graph, not mine—the graph shows that tidal levels scooted back up to where they had been 140,000 years ago to approximately where they are now.

Senator Cameron is part of the group trying to scare people into not buying near the water because the tide is rising, so we all sell our properties next to the seaside and on the river. Professor Flannery, appointed by
the Labor government to head the Climate Commission, is part of the group saying, ‘Oh, all is lost, the tide is increasing and we are all going to be washed away!’ Professor Flannery, I might add as an aside, gets $180,000 a year for two days a week of work.

Senator Fifield: How much?

Senator IAN MACDONALD: He gets $180,000 a year for two days work a week. But, hang on, Professor Flannery then goes out and buys a flash property on the banks of the Hawkesbury River. I guess he got it at a good price because people who might have had property there probably sold it to get rid of it because he and Senator Cameron are warning these people that they are going to be inundated. How can you take any notice of what Senator Cameron says? How can you take any notice of what Senator Wong said in the nonanswer, I might say, to all the questions that were asked of her today?

Indeed, how can we take any notice of anything that the Labor Party or the Labor leader, Julia Gillard, says when we have direct evidence there before us of Julia Gillard promising the Australian people, the day before the last federal election: ‘There will be no carbon tax under a government I lead?’ Here we are, a year later, debating it. How can you believe anything Julia Gillard or her ministers would ever say?

The DEPUTY PRESIDENT: Before I put the question, can I remind senators to refer to members in the other place by their correct name or title.

Question agreed to.

Hicks, Mr David

Senator WRIGHT (South Australia) (15:30): I move:

That the Senate take note of the answer given by Senator Ludwig, on behalf of the Attorney-General, in response to my question.

My question was regarding the fact that, last November, the United Nations Human Rights Committee sought a response from the Australian government to a complaint made on behalf of Mr David Hicks in relation to his incarceration at Guantanamo Bay and the plea agreement that saw his return to Australia. Under the committee’s procedural rules, the government was required to respond within six months of the making of that complaint. Indeed, the government did not respond within that time and indicated that it would take at least a further three months. That response was due in May. The government indicated it would be responding within three months. Three months has now expired and there has still not been a response to the complaint.

The explanation given by the Australian government at the time of indicating that they would take longer than was ordinarily required under the rules was that they needed to fully address the issues and consult with the stakeholders. I asked the government what the issues were and who the stakeholders were that they needed to consult with, given that they are now well and truly outside the required period for offering a response to that complaint.

The government was either unable or unwilling—I was not able to hear from Senator Ludwig who those stakeholders were. I am concerned, as are the Greens. This is a serious matter involving the United Nations Human Rights Committee. There are clear protocols about Australia’s role in relation to this committee, as a state party to the Optional Protocol to the International Covenant on Civil and Political Rights. The procedure for responding to complaints is binding on Australia. There is a concern that the government is either not taking the complaint seriously enough or perhaps showing a lack of respect for the committee’s procedures.
What adds to my concern, and that of the Greens is that, since the complaint was lodged, is that the government has indeed had sufficient time and resources to commence new legal proceedings against Mr Hicks in order to seize profits from his recently published book, which documents his experiences. His experiences caused quite a deal of disquiet among the Australian public at the time that he was undergoing incarceration for seven years in the United States. So, although the government has been able to substantially deal with these legal proceedings, it has not apparently had time to respond to the complaint to the United Nations committee about a breach of his human rights.

My question to Senator Ludwig on behalf of the Attorney-General was: what are the government's priorities? There is a concern that the government are more concerned about stopping Mr Hicks from profiteering from his book. The reasons for that are not clear to us. Or are they more concerned about not responding within the time to the United Nations committee about a breach of his human rights?

We are not satisfied with the answer that was given and we would be interested in better understanding the position of the Australian government as to the delay in responding to the United Nations Human Rights Committee.

Question agreed to.

NOTICES

Presentation

Senator HANSON-YOUNG: To move:
That the Senate—
(a) notes that:
(i) 26 August 2011, marks the 10th anniversary of the rescue of 433 asylum seekers by the MV Tampa,
(ii) this rescue was followed by the refusal of the Coalition Government to allow the ship to enter Australian shores in direct violation of both maritime conventions and human rights obligations,
(iii) the majority of the asylum seekers, including children, were detained indefinitely on Nauru, as part of the Coalition's 'Pacific Solution', and
(iv) 10 years later, the Labor Government is still pursuing offshore processing, through Australia's agreement with Malaysia, and Australia's Memorandum of Understanding with Manus Island;
(b) recognises a majority of Australians want asylum seekers processed on the mainland, according to The Age/Neilson poll published on 16 August 2011; and
(c) calls on the Government to abandon offshore processing.

Senator LUDWIG: To move:
That the following operate as a temporary order with immediate effect until the conclusion of the 43rd Parliament:
Standing order 18 establishing the Committee of Privileges be amended as follows:
(a) in paragraph (1), omit "7", substitute "8"; and
(b) omit paragraph (3), substitute:
(3) The committee shall consist of 8 senators, 4 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate and 1 nominated by a minority party and independent senators.

Senator STEPHENS: To move:
That the Joint Standing Committee on the National Broadband Network be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 25 August 2011, from noon.

**Senator MARSHALL:** To move:

That the Senate—

(a) notes the opening statement made by the President of Fair Work Australia on 1 June 2010 during his appearance at an estimates hearing of the Education, Employment and Workplace Relations Legislation Committee, in particular, the request made that the Senate reconsider its order of 28 October 2009 which requires that, on each occasion on which the committee meets to consider estimates in relation to Fair Work Australia, the President of Fair Work Australia appear to answer questions; and

(b) modifies the order of 28 October 2009 by indicating that the Senate expects that the President of Fair Work Australia will appear should his or her presence be requested by the Education, Employment and Workplace Relations Legislation Committee in the future, but that the requirement that the President attend to answer questions on all occasions when the Education, Employment and Workplace Relations Legislation Committee meets to consider estimates in relation to Fair Work Australia no longer applies.

**Senator XENOPHON:** and

**Senator BOB BROWN:** To move:

That the following bill be introduced: A Bill for an Act to amend the Qantas Sale Act 1992, and for related purposes. *Qantas Sale Amendment (Still Call Australia Home) Bill 2011.*

**Senator XENOPHON:**

(a) notes that a series of Australian citizens have been arrested and held in prison in China in recent years without prompt notification to the Australian Government; and

(b) calls on China to fulfil its diplomatic obligation and promptly notify Australia if any Australian citizen is apprehended in the future.

**Senator IAN MACDONALD:** To move:

That the Senate—

(a) notes that:

(i) north Queensland’s significant economic growth has been recorded in the recent quarterly development status report released by Townsville Enterprise Pty Ltd,

(ii) the report, which covered the 3 month period to 30 June 2011, showed that, despite setbacks caused by Cyclone Yasi, approximately $53 billion worth of development projects are currently underway or awaiting approval, and

(iii) current projects include the $385 million redevelopment of Lavarack Barracks in Townsville in preparation for the arrival of the 3rd Battalion, Royal Australian Regiment; and

(b) congratulates Townsville Enterprise Pty Ltd on its pivotal role in encouraging and facilitating continued investment in north Queensland.

**BUSINESS**

**Rearrangement**

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (15:36): by leave—I move:

That consideration of government business continue from 6.50 pm to 7.20 pm.

Question agreed to.

**NOTICES**

**Postponement**

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Hanson-Young for today, proposing the disallowance of the Migration Amendment Regulations 2011 (No. 4), postponed till 14 September 2011.
General business notice of motion no. 372 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, relating to access to the Australian Capital Territory and Parliament House for protesters, postponed till 25 August 2011.

BILLS

Landholders’ Right to Refuse (Coal Seam Gas) Bill 2011

First Reading

Senator WATERS (Queensland) (15:37):

I move:

That the following bill be introduced: A Bill for an Act to provide Australian landholders the right to refuse the undertaking of coal seam gas mining activities on their land without prior written authorisation, and for related purposes.

Question agreed to.

Senator WATERS: 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 WATERS (Queensland) (15:38):

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 the Hansard.

Leave granted.

The speech read as follows—

Landholders’ Right to Refuse (Coal Seam Gas) Bill 2011

The Landholders’ Right to Refuse (Coal Seam Gas) Bill 2011 will provide Australian landholders with the right to refuse the undertaking of coal seam gas mining activities on food producing land without prior written authorisation.

The intent of this bill is to allow farmers to say no to coal seam gas mining on their land. When Australia has so little good quality agricultural land, only about 1–2%, we must protect it from all other inconsistent land uses.

While ever we have uncertainties about the long term impacts of this new industry on our underground water resources, there will be concern within the community about impacts on food security. Queensland farmers in the Darling Downs, for example, rely on the aquifers of the Great Artesian Basin for their water source. Without detailed understanding of the connections between underground aquifers in the Great Artesian Basin, coal seam gas activities risk a drop in the groundwater table from dewatering of coal seams to allow gas extraction, or contamination of aquifers with hydraulic fracturing fluid. Farmers should have the legal right to decide that they would prefer to be able to keep farming on their land, and for their children to have that option, rather than take the risk of possible long term groundwater depletion or contamination.

The Greens believe that we need a moratorium on new coal seam gas approvals until there is full scientific understanding of the impacts on groundwater, food security, rural communities, threatened species, the climate and the Great Barrier Reef. However, even if that information is gained and the evidence finds that coal seam gas is safe, farmers should still have the right to say no. The surface and amenity impacts may be too great an interference with their farming operations. This bill facilitates their right to make that decision, by requiring coal seam gas corporations to gain their written authorisation to enter their land to conduct coal seam gas activities. That written authorisation must contain an independent assessment of the current and future risks associated with the proposed coal seam gas mining activity on, or affecting, the land and any associated ground water systems. The farmer must also be informed that they should seek independent advice and that they may refuse to give written authorisation.

If the corporation unlawfully enters the land, they commit an offence for which a significant penalty accrues daily, and the commonwealth
may prosecute them. The farmer may also seek an injunction from the Federal Court to restrain the entry, and the corporation must pay the costs of that application irrespective of the outcome.

This bill applies to all land that has produced food at any time in the 10 years prior to the first proposed coal seam gas activity on the land, from commercial primary production through to urban vegetable gardens. The bill applies to all persons with an ownership interest in the land, which is broadly defined to include all persons with a legal or equitable interest in or right to occupy the land. This would include native title holders or those with native title rights and interests. A corporation must obtain prior written authorisation from all persons with an ownership interest in the land before they may commence coal seam gas activities.

Importantly, this bill does not alter the ownership of the minerals and gas, which remain vested in the States. If the federal or state government decide that those resources are so needed, they may seek to compulsorily acquire the land, paying compensation on just terms or in accordance with state acquisition of land statutes. Those existing laws are a sufficient safeguard against a landholder ‘unreasonably’ refusing access authorisation, so this bill does not seek to address that issue.

The bill would only apply to coal seam gas activities which begin after the bill’s commencement.

I commend this bill to the Senate.

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

Leave granted; debate adjourned.

COMMITTEES

Environment and Communications References Committee

Reporting Date

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:38): On behalf of Senator Fisher, I move:

That the time for the presentation of the report of the Environment and Communications References Committee on the status, health and sustainability of the koala population be extended to 20 September 2011.

Question agreed to.

Scrubiny of Bills Committee Report


Ordered that the report be printed.

Community Affairs Legislation Committee Report

Senator McEWEN (South Australia—Government Whip in the Senate) (15:39): On behalf of Senator Moore, I present the report of the Community Affairs Legislation Committee on the Food Standards Amendment (Truth in Labelling—Genetically Modified Material) Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Law Enforcement Committee Report

Senator MASON (Queensland) (15:39): On behalf of the Parliamentary Joint Committee on Law Enforcement, I present two reports of the committee as listed at item 10 on today’s Order of Business, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the reports be printed.

Senator MASON: I move:

That the Senate take note of the reports.
AUSTRALIAN CRIME COMMISSION ANNUAL REPORT

The Parliamentary Joint Committee on Law Enforcement report on the examination of the Australian Crime Commission annual report 2009-10 is an important part of the committee's work. Indeed, it is a statutory obligation. The committee has therefore examined the ACC's account of its performance in 2009-10 and has found, happily, that the ACC has fulfilled all of its reporting requirements. 2009-10 was a landmark year for the Australian Crime Commission after a period of significant change. As the CEO, Mr John Lawler, described it, the agency has continued to define a valuable role adding value to partner agencies' work in the pursuit of serious and organised crime.

The Australian Crime Commission continues to unite the fight against serious and organised crime, operating as a conduit or point of fusion for criminal intelligence across the country. In this respect the committee was pleased to hear that the newly established criminal intelligence fusion capability has already identified 53 previously unknown serious and organised crime targets. Mr Deputy President, I am sure you would agree that that is very good news for our law enforcement community.

The Australian Crime Commission largely met the agreed key performance indicators. However, only 67 per cent of partner agencies agreed or strongly agreed that their understanding of the overall criminal environment has increased as a result of the commission's intelligence. The ACC has expressed its intention to improve upon this result and noted that the key performance indicator has since been adjusted to refer to understanding of the serious organised criminal environment to better reflect the aim of the Australian Crime Commission.

Mr Deputy President, there was also much discussion about control operations that you would recall. I will not go into that. Suffice to say that, given the level of complexity and global reach of criminal enterprise in today's world, a further review of the control operations regime may be appropriate to ensure that it remains an effective tool in the fight against serious and organised crime. I am very happy to commend the committee's report to the Senate.

AUSTRALIAN FEDERAL POLICE ANNUAL REPORT

In relation to the joint committee's report on examination of the Australian Federal Police annual report 2009-10, you would be aware, Mr Deputy President, that the jurisdiction of the Parliamentary Joint Committee on Law Enforcement has recently been widened to include the Australian Federal Police through amendments to provisions of the Parliamentary Joint Committee on Law Enforcement Act. The committee now has a duty to examine each annual report of the Australian Federal Police and report back to the parliament on any matter appearing in or arising out of any such annual report.

So the committee has taken its first and very important look at the AFP's account of its performance in 2009-10 and has found—it is very good news—that the AFP has fulfilled all of its reporting requirements. As noted by the Commissioner of the Australian Federal Police, Mr Tony Negus, the AFP's first appearance before the committee is a significant milestone in the oversight of the AFP. Let us face it, I know that the government, the opposition and the Australian people are proud of this institution and its oversight is an important aspect of the committee's, and indeed the parliament's, role.
I make one point before I close. The AFP largely met key performance indicators with one exception: the drug harm index, a measurement of avoided cost of drug harm due to seizures and interdiction, achieved a result of $473 million. This fell considerably short of the domestic target of $886 million. This can largely be explained by the vagaries of the calculation of the index. I suspect that next time the committee—and I see one of its members, Senator Polley, here this afternoon—will examine that far more closely.

Moreover, in February of this year the Australian National Audit Office identified a need for the Australian Federal Police to improve the implementation of new policies. It made four recommendations relating to internal governance, risk management, organisational capability and oversight of new policy implementations. The AFP has endorsed these recommendations and the committee looks forward to their implementation over time. The committee appreciates the AFP's engagement with the committee so far. I think the relationship has started off very well and all of us look forward to continuing to work with them. We look forward to an effective oversight relationship in the future as the AFP undertakes the committee's wider duties to monitor, review and report on the AFP's performance of its very important functions. I am very happy to commend the report to the Senate.

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (15:46): I, too, rise to make a few short comments in relation to these reports. As we have already heard, this is the first year that the Australian Federal Police annual report has been considered by the Parliamentary Joint Committee on Law Enforcement. This is a significant milestone in the oversight of the Australian Federal Police. The range and sophistication of AFP activities has changed significantly in recent years. The Australian National Audit Office estimated AFP expenditure in 2010-11 will approach $1.4 billion. In real terms this is more than 3½ times the expenditure in 1998-99. The acceptance of the bill review has allowed the AFP to restructure into three core operational areas: security and protection, international deployment and serious crime. Looking at just one of the key areas of development in the AFP helps to provide some insight into the complexity of the operations of the AFP and the intricacies of the methods of reporting. Given the traditional way many people consider police operations I am sure that, like me, many senators are surprised by the technical requirements that are now necessary for a successful operation of a contemporary force, like the AFP.

In February 2011 the AFP opened its Australian Illicit Drug Data Centre. While this incorporated some of the existing services of the AFP it also included two new functions. One is the development of a scientific basis for monitoring the geographical regions, the production methods and the precursors used to supply the Australian illicit drug market. The other is the development of a formal risk assessment methodology for precursor chemicals that have been indentified by the National Precursor Working Group. This leads on to recognising one of the key performance indicators used by the AFP in its annual reporting format. This is the Drug Harm Index. Unfortunately, this is one of the few KPIs the AFP did not meet: $473 million compared with a target of $886 million. But that does not detract from the value of this type of key performance indicator. One of the risks with key performance indicators is that they reflect outputs rather than outcomes. While outputs may be useful for
gauging activity and industry levels, they generally do not reflect what has been the benefit of a particular activity.

The Drug Harm Index is a complex measurement that has been developed in conjunction with the University of Queensland. The index aims to assess the social harm around narcotics and the broader return to the community resulting from the investment in law enforcement. The Drug Harm Index incorporates a formula that involves multiplying the seizure weight of a particular drug by an estimate of its social cost. Opiates are $1.09 million, cocaine is $460,000, sedatives are $336,000, stimulants are $263,000, precursors are $209,000 and cannabis is $8,000.

The Parliamentary Joint Committee on Law Enforcement has also considered the annual report of the Australian Crime Commission. The ACCC appears to meet each of its KPIs, but this assessment was not completely supported by some of the partner organisations. This is an issue that the Australian Crime Commission committee will continue to work on. The committee also took the opportunity to explore the Commonwealth Ombudsman's concerns regarding the extension of controlled operations that extend beyond three months in a way that bypasses the Administrative Appeals Tribunal's oversight mechanism. The committee recognises that effectiveness on control operations does require some flexibility in the face of the changing circumstances brought about by the complexity and global reach of criminal activities.

I join with the previous speaker in commending the reports to the Senate. I would also like to pay tribute to the former chair of this committee, former Senator Steve Hutchins. I would like to congratulate the new chair, Chris Hayes, from the other place. I would also like to put on record my thanks to all committee members and the secretariat for the way that we worked together to produce what I think are some very good reports from this committee. I seek leave to continue my remarks.

Leave granted.

MINISTERIAL STATEMENTS

Australian National Audit Office


Manufacturing


Leave granted.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (15:51): I move:

That the Senate take note of the statement.

Our nation is facing an historic shift, the like of which we have not seen in two generations. Australia is in the process of recreating itself, building a new society fit for the challenges of the 21st century.

This is a transition we must embrace. This is our time to retool our industries, to reskill our people, to build a new economy on a new type of manufacturing.

Late in 2008, our industries were hit by the global financial crisis. The government took prompt action to safeguard the financial system and provided much-needed support through its own spending. It is now widely accepted that the combination of prompt government action and the underlying resilience of the Australia economy stood us in good stead. Unlike almost all developed
countries, we avoided recession and we have a strong growth outlook.

Developing countries in our region like China and India were also able to negotiate the crisis. They too have resumed growth. Their rebound has been so strong that commodity prices have surged, bringing a dramatic increase to our national income and sparking a new investment boom.

Global investors like the Australian dollar, they like our growth prospects, they like our low levels of government debt and they like this government's record of economic management. All of this is of great net benefit to Australia but it has also brought challenges. Driven by the resources boom the real exchange rate has moved some 45 per cent in the space of two years. The speed and the duration of the climb have been unprecedented.

Many manufacturers have found the higher exchange rate extremely difficult to handle. The rate of change has been so rapid that many have simply not had the time to adjust their business models. On top of the exchange rate there are now growing concerns about the sustainability of the world recovery. There has been a sharp decline in equity markets around the world, prompted by debt concerns in Europe and growing doubts about the strength of the recovery in the United States.

Normally doubts about the world economy would lead to downward pressure on the Australian dollar but on this occasion the effect has been muted. Our strong economic outlook is simply out of kilter with the rest of the developed world. The cash rate in Australia now stands at 4.75 per cent. In the United States and Japan it is effectively zero.

The government has been urged to direct the Reserve Bank to intervene in the foreign exchange market or to remove its independence on monetary policy. We will not take that course.

What, then, are our choices? If we do nothing, we sacrifice the manufacturing capabilities of this country which have been built up over generations. We deal with distressed companies as best we can, using what fiscal flexibility is available. Or we could decide to transform our economy, firm by firm and region by region, through science and innovation.

The government has taken the third course, and I reaffirm our commitment to that path today. We are modernising the telecommunications system. We are rebuilding rail and port infrastructure. We are investing heavily in training and skills. We are strengthening and upholding anti-dumping protections. We are using the taxation system to stimulate business investment. We are leading the nation's transition to a clean energy future.

This is a comprehensive agenda for a new Australia: a nation that can generate jobs and opportunities for all. If we want to harness that potential, we need to change the way Australians do business. We need to put innovation at the heart of every firm.

As my department's Australian Innovation System Report 2011 makes clear, innovation-active businesses are much more likely to raise productivity, boost their profits and put new employees on the payroll. That is acknowledged by our competitors overseas.

The Chinese, for example, have made it clear that taking growth to the next level will require major investments in science and research. And that is exactly what they are doing. China's expenditure on R&D has multiplied by a factor of six in the space of a decade. China is doubling its R&D effort every five years.

And it is not just China that sees science and innovation as the driver of economic
progress and prosperity. India and the EU are committed to major investments, with individual countries like Sweden and Germany embarking on extremely aggressive programs. Universities and research agencies have moved to the front line of the innovation battle being waged all over the world. Australia is ready to keep pace.

Since Labor came to office in 2007, we have been doing the work this nation needs to drive industry up the global value chain. I am proud that the government is now spending $9.4 billion on R&D and innovation, which is 43 per cent greater than the level we inherited when we came to office—and of that $9.4 billion, more than one-third finances our university research.

We are calling on Australia’s universities and research agencies to be more responsive to the communities that sustain them. Their partnerships with industry are the key to the businesses and jobs of the new Australia.

But this is not a challenge we expect our people to shoulder alone, least of all in the current fiscal circumstances. We are here to back firms who are prepared to back themselves.

The taxation system is one of the most powerful levers we have to encourage innovative firms and we will harness it to the best possible effect.

The government’s new R&D tax credit will give Australia a tax incentive for the 21st century. It will support more companies at a more generous rate, at a time when they need it most.

We will also strip the current deterrence for companies which wish to locate their intellectual property rights offshore, encouraging global investment in Australian research.

If we want to compete for global investment, we must have world class research precincts. Global innovation precincts have the critical mass needed to tackle complex problems. They are places with an exciting creative culture that bring out the very best in exceptional people.

Global scale innovation precincts can develop spontaneously, as they have done in some countries like the United States where they have large scale and deep research resources, but it does not happen as a rule. But for smaller countries like Australia it does not happen by chance. It happens by choice, and this is a choice that Australia has to make.

To illustrate our potential, we need look no further than the CSIRO, one of the top 10 applied research agencies in the world.

With the active support of the government, researchers and industry, the CSIRO has identified five innovation precincts of global scale in Australia. The CSIRO will co-locate with universities and other partners at these locations.

The CSIRO has also identified seven other national scale innovation centres with strong potential and it should be our shared objective to build them into global centres.

But it is not enough just to generate good ideas. We need to equip firms to take them forward and to deal with the inevitable difficulties that any business has to overcome if they are to expand. In this regard, I am proud of Enterprise Connect and Commercialisation Australia, two of the programs that the Labor government has set up to help small and medium sized business. We are building the capabilities and partnerships that industry needs to transform. We are making Australia a place where ideas become commercial realities. This is the platform on which the government will build Australia’s Clean Energy Future. This is the next phase of our journey to a richer, fairer
and greener economy, a journey Labor resolved to make when we first took office.

$1 billion will be invested through two new clean technology investment innovation programs to support innovation in the manufacturing industry for the future. At the same time the $10 billion Clean Energy Finance Corporation will provide a major stimulus to the commercialisation and deployment of renewable energy, energy efficiency and low-pollution technologies.

Together, these programs will galvanise Australia's innovation system with new investments and new momentum. That does not mean that change will be easy or swift. These are incredibly challenging times. The government stands shoulder to shoulder with companies like BlueScope Steel, working to restructure their businesses over a short pace of time. We will face these transitions together and we will emerge with a stronger economy, with a vibrant manufacturing sector able to create quality and secure jobs for the whole community.

This is the nation we choose to build, with and for the Australian people. I commend the statement to the chamber.

Senator COLBECK (Tasmania) (16:01): This statement to the Senate comes with a really bad odour to it. It is a statement of fear with panic written all over it. The statement is more about the minister trying to convince himself that everything is okay and trying to convince some in his party that everything is okay. It is a statement that is absolutely devoid of anything new. This government has a major problem. It has a very significant problem. It is that nobody trusts them anymore. They have no credibility. They have lost the confidence of the Australian community, the Australian investment community, the manufacturing sector and industry generally. They are a government that has become, quite frankly, a sovereign risk.

When major manufacturers in this country tell me that they have opened their books and their plans for the future for the next 10 years to this government and they have invested in accordance with the promises made to them by this government, only to have the rug pulled out from underneath them, they then ask me, 'Why should we continue to invest in this country? Why should we continue to believe it when the government tells us what its intentions for this nation and for the manufacturing sector might be?' They tell me that their corporate headquarters ask, 'What is going on in Australia that we can give you the go-ahead to invest, based on a promise given to us in The Lodge in Canberra, and then the promise doesn't last three or four years?' Why should they continue to invest here on the basis of that?

This is the climate that this government has created through its complete and utter mismanagement of the Australian economy: no trust and no credibility and they have completely lost the confidence of Australian industry and the investment community. I will put a few things on the record: more than 105,000 manufacturing jobs lost over the last three years, 620 jobs a week on average; a reduction in the total number of manufacturing workers in Australia to under one million, the worst figure since ABS figures were kept; at least 24 separate monthly contractions in manufacturing activity since Labor came into office.

Over the weekend we heard on Insiders on Sunday morning that this was going to be a bad week for manufacturing. That was the prediction of Phil Coorey on Sunday. On Monday morning we woke up to hear of a thousand jobs going at BlueScope Steel and on Monday morning the Treasurer said that there would be some more action in the week
and 'it's our intention to match our capabilities with opportunities'. The Prime Minister even gave an indication of something big when she said 'we'll have something more to say about the advocacy for Australian industry during the course of this week'. And what do we get? We get Peter Beattie. That is all the Australian government has to offer Australian industry: Peter Beattie standing alongside Minister Carr as industries they slide backwards.

Minister Carr said in his presentation a few moments ago that they are modernising the telecommunications system. Well, that is not going to occur until 2020. And they are rebuilding rail and port infrastructure. But they do not have a finite plan. So I take the time to look on the Infrastructure Australia website for plans but it refers me across to the Treasury website and it says that those plans are not finalised yet! They are acting on antidumping but they are making some small changes at the margins at this stage and we are yet to see the rest of the government's agenda on that. And they say they making use of the taxation system—and we saw the passing of legislation yesterday—but industry are not as confident as the government as to the impact of the measures, and we will have to wait and see what happens with those. Then, of course, they say they are leading the nation's transition to a clean-energy future. But what is that code for? That is code for a carbon tax. We know that there are enormous stresses on the economy at the moment; we know that and we all understand that. The dollar is a significant issue and there are significant structural changes occurring in industry. But the minister's statement brings absolutely nothing new to give any confidence to anyone in industry. It is simply a regurgitation of what has gone before. So what they are doing, when things are really tough, is to impose yet more cost, a greater impost on industry in this country, and they expect industry to be prepared to accept that.

I do not understand the thinking of the government. Having gone through all of the issues, experienced all of those terrible statistics—105,000 manufacturing jobs lost over the last three years at the rate of 620 a week—the government's response is to add more to the cost of business in Australia when their major competitors are not suffering that. Is it any wonder that businesses have no confidence in Australia as an investment destination? Then we hear from industry that the assistance that is being offered by the government in compensation for this additional tax, the carbon tax, is like 'a bandaid on a bullet wound'. Industry has no confidence in what this government has to offer and it is no wonder that the minister is here trying to convince himself and some of his back bench that there might be some future for the industry.

I took the time to look around my home state of Tasmania and the impact since this minister came to office on manufacturing. Having done that, I thought, 'Let's take it a little further.' The major players who have had a significant impact are BlueScope Steel—and we have already had a discussion about the desperate situation there where 1,000 jobs are to go; Tascott Templeton, the last carpet manufacture of its type in Australia, which closed last year; McCain, which has moved all of its vegetable processing out of Australia and to New Zealand; and ACL Bearings in Launceston which made the announcement yesterday of another 30 jobs to go. We have heard about One Steel and PaperlinX, or Australian Paper, which has closed both its Wesley Vale and Burnie plants. We have got Bosch making decisions, as well as Golden Circle, SPC Ardmona and Ford at Broadmeadow and Geelong. Schweppes is looking very closely at its operations. Kingwall
Manufacturing expect to offer redundancies in the next couple of weeks—so that is something else coming down the line. There is Boral Plywood in Ipswich. Crest Curtains and Blinds have knocked 10 per cent off their staff and are outsourcing to Asia. Heinz Australia have plants in Girgarre, Wagga Wagga and Brisbane. Austral Shipping has left Tasmania and sacked more than 100 workers. BHP Billiton has closed the Ravensthorpe nickel mine. Other major players are Pacific Brands, Bridgestone's Adelaide plant, Visicorp at Taree and Mitsubishi in Adelaide. National Foods have undergone a major restructuring of their operations. The list goes on and on. Yet we get from this government a ministerial statement that effectively restates the same story. It talks about manufacturing and future operations for the 21st century. The Australian people are tired of the rhetoric, the same old stories. It is little wonder that they have lost confidence, they have lost trust and that industry in this country is seriously reconsidering whether this nation has an investment future.

The government needs to do better than just rhetoric. It really does seriously need to lift its game if it is going to win that confidence back. It needs to offer more than a ministerial statement and Peter Beattie as a solution to the current manufacturing crisis in this country. It really does need to do better. My fear is that, with that complete and utter lack of confidence, it is not going to be able to do it.

Question agreed to.

DOCUMENTS
Unproclaimed Legislation
Tabling

The following documents were tabled pursuant to standing order 139(2):

Unproclaimed legislation—Document providing details of all provisions of acts which come into effect on proclamation and which have not yet been proclaimed, together with a statement of reasons for their non-proclamation and information relating to the timetable for their operation, as at 5 August 2011, dated August 2011.

COMMITTEES
Education, Employment and Workplace Relations Legislation Committee
Membership
Senator CARR: by leave—I move:
That Senator Wright replace Senator Rhiannon on the Education, Employment and Workplace Relations Legislation Committee for the committee’s inquiry into the provisions of the Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill 2011, and Senator Rhiannon be appointed as a participating member.

Question agreed to.

BILLS
Carbon Credits (Carbon Farming Initiative) Bill 2011
Australian National Registry of Emissions Units Bill 2011
Tax Laws Amendment (Research and Development) Bill 2010

Consideration of House of Representatives Message

Messages received from the House of Representatives agreeing to the amendments made by the Senate to the Carbon Credits (Carbon Farming Initiative) Bill 2011, the Australian National Registry of Emissions Units Bill 2011 and the Tax Laws Amendment (Research and Development) Bill 2010.
Excise Tariff Amendment (Condensate) Bill 2011

Excise Legislation Amendment (Condensate) Bill 2011

First Reading

Bills received from the House of Representatives.

Senator CARR: I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (16:14): I move:
That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

EXCISE TARIFF AMENDMENT (CONDENSATE) BILL 2011

This Bill amends the Excise Tariff Act 1921 to address uncertainties that have arisen regarding the application of Crude Oil Excise to condensate production. Condensate is a light crude oil extracted from natural gas.

In the 2008-09 Budget, the Government announced its decision to remove the long-standing Crude Oil Excise exemption that had applied to condensate production, with effect from midnight (by legal time in the Australian Capital Territory), 13 May 2008. The intention of that measure was to increase the return to the Australian community for allowing private interests to extract non-renewable energy resources located in the North West Shelf project and onshore Australia and was estimated to raise $2.5 billion in revenue over the three years to 2011-12.

The measures included in this Bill, together with those in the Excise Legislation Amendment (Condensate) Bill 2011, clarify uncertainties that have arisen following the removal of the exemption. These uncertainties relate to two elements integral to the operation of the Crude Oil Excise regime, namely, the prescription of 'condensate production areas'—which define the areas over which excise is applied—and the determination of the Volume Weighted Average of Realised prices or the 'VOLWARE' price—which are the prices used to calculate excise liability.

In November 2008, the Tax Commissioner prescribed the 'Rankin Trend', as a condensate production area through by-law, with effect from 13 May 2008. The Rankin Trend is located within the North West Shelf project area and encompasses a number of spatially related reservoirs. It was prescribed as a single condensate production area on the basis that the Rankin Trend reservoirs form a single field.

Doubts have subsequently been raised regarding the validity of the Rankin Trend by-law. These doubts relate to the area the Rankin Trend encompasses, with claims that it is of uncertain size and could be interpreted as being significantly larger than the area intended when it was prescribed.

The Excise Tariff Amendment (Condensate) Bill amends the Excise Tariff Act 1921 to address any uncertainty regarding the area encompassed by the Rankin Trend. It does this by introducing a statutory definition of the Rankin Trend within the Act as being the area including those reservoirs previously identified as forming a single field. The amendments also allow for additional reservoirs which commence production to be added to the Rankin Trend condensate production area by regulation in circumstances where the Resource Minister is satisfied they form part of the Rankin Trend field, and after considering what effect, if any, this may have on the efficient exploitation of the resource.

These amendments serve only to clarify and confirm the current application of Crude Oil Excise to condensate production, consistent with the original policy intent, and have no revenue impact.
The measure will take effect from midnight (by legal time in the Australian Capital Territory), 13 May 2008, consistent with the original 2008-09 Budget measure.

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

**EXCISE LEGISLATION AMENDMENT (CONDENSATE) BILL 2011**

This Bill amends the Petroleum Excise (Prices) Act 1987 to address uncertainties that have arisen regarding the determination of Volume Weighted Average Realised prices or ‘VOLWARE’ prices—which are the prices used to calculate excise liability.

Under the Crude Oil Excise regime, a VOLWARE price is required to be determined for each month by the Minister, or a person authorised by the Minister within a specific time. A written notice setting out the terms of these price determinations must also be provided to the relevant producer or producers, although no time period for so doing is specified. It has been suggested that, if a written notice setting out the terms of a price determination is not provided to producers, then the determination itself is invalid.

The Excise Legislation Amendment (Condensate) Bill amends the Petroleum Excise (Prices) Act 1987 to clarify that a failure to provide written notice of a VOLWARE price determination does not affect the validity of the determination.

The amendments also extend the ability of producers to seek a review of VOLWARE price determinations by allowing them to seek a review within 28 days of receiving a written notice.

These amendments serve only to clarify the existing operation of the law and have no revenue impact.

The measures will take effect from midnight (by legal time in the Australian Capital Territory), 13 May 2008, consistent with the original 2008-09 Budget measure.

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

Debate adjourned.

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**Cybercrime Legislation Amendment Bill 2011**

**Schools Assistance Amendment Bill 2011**

**First Reading**

Bills received from the House of Representatives.

**Senator CARR:** I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

**Second Reading**

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (16:16): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**CYBERCRIME LEGISLATION AMENDMENT BILL 2011**

The Cybercrime Legislation Amendment Bill 2011 makes amendments to facilitate Australia’s accession to the Council of Europe Convention on Cybercrime.

The Convention is the only binding international treaty on cybercrime.

The Government announced its intention to accede to the Convention in April 2010. To date, over 40 nations have either signed or become a party to the Convention, including the United States, United Kingdom, Canada, Japan and South Africa.
Cybercrime poses a significant challenge for our law enforcement and criminal justice system.

The global and interconnected nature of the internet makes it easy for malicious actors to operate from abroad, especially from those countries where regulations and enforcement arrangements are weak. For this reason, it is critical that laws designed to combat cyber threats are harmonised, or at least compatible to allow for international cooperation.

The Convention serves as a guide for nations developing comprehensive national legislation on cybercrime and also establishes procedures to make investigations more efficient and provides systems to facilitate international co-operation, including:

- empowering authorities to request the preservation of specific communications;
- helping authorities from one country to collect data in another country;
- establishing a 24/7 network to provide immediate help to investigators; and
- facilitating the exchange of information.

The Convention requires Parties to criminalise certain types of conduct committed via the internet and other computer networks and ensure domestic agencies can access and share information to facilitate international investigations.

As such, the Convention will help Australian agencies to better prevent, detect and prosecute cyber intrusions and criminal activity conducted over the internet.

Australian law already complies with a majority of the obligations of the Convention. In particular, jurisdictions in Australia have created relevant offences and have provided agencies with many of the powers and procedures required by the Convention.

However, accession to the Convention will require amendments to the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987, the Criminal Code Act 1995 and the Telecommunications Act 1997 to enhance Australia's ability to effectively combat cyber crime.

Overview

Preservation of Stored Communications

Schedule 1 implements requirements of the Convention to establish powers for agencies to obtain the preservation of stored communications for up to 90 days, particularly where there are grounds to believe that the data is vulnerable to loss or modification.

The purpose of the preservation period is to maintain the integrity of the data for a period of time to enable agencies to seek its disclosure through a relevant warrant.

These amendments are necessary as carriers' business practices include the deletion of communications often before agencies have the opportunity to exercise a warrant for their access, in the case of one carrier within 24 hours of a message's creation. It also formalises voluntary arrangements that already exist with some carriers who will hold communication records pending receipt of a warrant.

Accordingly, the Bill amends the TIA Act so that an agency can formally require a carrier to preserve stored communications by reference to an individual or telecommunications service. This approach enables the preservation of computer data, but also SMS messages, emails and other communications stored by the carrier while ensuring the TIA Act remains technologically neutral.

The Bill will also enable designated interception agencies to require carriers to preserve ongoing communications in respect to an individual or service for up to 30 days. Again, these communications can only be accessed by a designated interception agency upon the grant of a valid warrant.

The Bill will enable the Australian Federal Police to require the preservation of communications on behalf of a foreign law enforcement agency. Once again, however, the content of those preserved communications can only be accessed following authorisation of a stored communications warrant under a formal mutual assistance request for a serious foreign contravention. This is an offence carrying a
penalty of either 3 years' imprisonment or a fine of approximately $99,000.

There are a number of important protections in the Bill, including:

Agencies can only access preserved communications from a carrier with a relevant warrant.

Preservation is only available to investigate a 'serious contravention' (defined as an offence carrying 3 years' imprisonment, a $19 800 fine for individuals, and a $99 000 for non-individuals) or for obtaining intelligence relating to security defined under the ASIO Act as relating to espionage, terrorism, foreign interference and border integrity.

In each case a number of tests must be satisfied, such as balancing privacy considerations and determining that there are reasonable grounds to suspect that the carrier holds the relevant communications and that information obtained would likely assist in its investigation.

Domestic notices are revoked automatically after 90 days. They must also be revoked by the agency if before that point the agency is no longer satisfied the grounds for issuing the notice exist.

Notices with respect to the preservation of ongoing communications are only available for up to 30 days.

Agencies will be required to report on the number of preservation notices issued and keep copies of those notices.

Use of preservation powers by agencies will be subject to oversight by the Commonwealth Ombudsmen and the Inspector General of Intelligence and Security (IGIS).

International Cooperation

Schedule 2 of the Bill amends the Telecommunications (Interception and Access) Act 1979 and the Mutual Assistance in Criminal Matters Act 1987 to allow the AFP to assist foreign partners by accessing communications data on a police-to-police basis. Communications data relates to information about a communication, rather than the content of the communication itself. This is often important information which can reveal a target has Australian accounts, has been involved with known Australian suspects or has connections or associations with known criminal groups.

The Bill will also enable Australia to provide non-content data on an ongoing basis to a foreign country following a formal mutual assistance request. Particular safeguards with respect to providing information pursuant to a mutual assistance request will also apply. These tools will further assist in the investigation of international cyber crime.

In order to ensure full compliance with Article 15 of the Convention, which deals with the protection of civil liberties, the Bill also introduces a new requirement in the TIA Act to protect privacy. This will require agencies to specifically consider the privacy of affected parties before authorising the disclosure of telecommunications data.

The requirement to consider privacy will apply to any authorisation for any domestic or foreign purpose. Privacy in this context, is interpreted more broadly than in the Privacy Act 1988, and will include consideration of the amount of information that the authorisation will make available to the agency, the relevance of the accessed information to the investigation in question, as well as how a third party's privacy may be impacted by the information.

The reforms contained in Schedule 2 were released for public comment by the Government in January 2011 in respect to the Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Bill.

Amendments to the Criminal Code

Computer crimes in Australia are set out in Commonwealth as well as State and Territory law.

Commonwealth offences are currently limited to circumstances in which a carriage service has been used or Commonwealth computers or data are involved in the commission of an offence. For situations not covered by Commonwealth laws, State and Territory offences are used.

In order to ensure full compliance with Convention requirements, the Criminal Code will be amended to remove the current limitations on Commonwealth computer offences. The amended
offences will be supported by the external affairs power.

In the event of any inconsistency between Commonwealth and State or Territory laws, the savings provisions contained in the Criminal Code will ensure the validity of the State or Territory law.

Consultation

In April 2010, the Minister for Foreign Affairs and the Attorney-General jointly announced Australia's intention to accede to the Convention. On 17 February 2011, the Attorney-General's Department released a public discussion paper in relation to Australia's proposed accession.

Submissions were received from representatives of the telecommunications industry, State Governments, the Office of the Information Commissioner as well as privacy and civil liberties groups.

The majority of submissions supported accession.

After the tabling of the National Interest Analysis by the Minister for Foreign Affairs on 1 March 2011, the Joint Standing Committee on Treaties considered Australia's proposed accession. JSCOT tabled its report supporting Australia's accession to the Convention on 11 May 2011. The Committee agreed that cybercrime is a growing threat at a time when computer-based networks are the most vital means of communicating and doing business.

Conclusion

The increasing cyber crime threat means that no nation alone can effectively overcome this problem and international cooperation is essential.

Australia must have appropriate arrangements domestically and internationally to be in the best possible position to fight cyber crime.

This Bill will facilitate Australia's accession to the Cybercrime convention and improve our ability to cooperate internationally in combating cyber crime.

SCHOOLS ASSISTANCE AMENDMENT BILL 2011

The Schools Assistance Amendment Bill 2011 makes amendments to the Schools Assistance Act 2008 (‘the Act’).

In December 2010, the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) endorsed the Foundation to Year 10 Australian Curriculum in the initial four learning areas of English, mathematics, science and history. Ministers agreed that from 2011, states and territories will commence staged implementation of the agreed Australian Curriculum with substantial implementation to be completed by the end of 2013. The implementation date defined in the Act needs to be replaced to reflect this decision.

The single implementation date currently prescribed by the Act does not accommodate the different implementation timeframes that will accompany each new phase of the Australian Curriculum endorsed by education ministers.

Nor does it provide a means of dealing efficiently with future additions or revisions to the national curriculum, which are an accepted part of curriculum development processes.

The proposed amendment to the Act will overcome these deficiencies by introducing a standing regulation that prescribes both the national curriculum and associated implementation timeframes as those authorised by education ministers via the Council of Australian Governments' Standing Council for School Education and Early Childhood (‘the Standing Council’), formerly known as MCEECDYA.

The new standing regulation will provide a mechanism to efficiently accommodate phased implementation of the Australian Curriculum, as well as any future additions or revisions to the curriculum endorsed by the Standing Council.

Bills read a second time.

Debate adjourned.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.
Senator CARR: I move:

That this bill be now read a third time.

I seek leave to have incorporated a statement which was omitted from the previous discussion when this matter was before the chamber.

Leave granted.

The document read as follows—

SENATE

Statement in Support of the Tax Laws Amendment (Research and Development) Bill 2010 and Income Tax Rates Amendment (Research and Development) Bill 2010

In continuation of defining Supporting R&D Activities:

All other supporting activities need to be directly related to core R&D activities.

The dominant purpose test applies only to production activities and activities on the exclusions list. The test safeguards the integrity of the program so that firms do not claim business-as-usual type activities.

These provisions remedy the concern that the R&D Tax Concession allowed claims to be made for activities — particularly supporting activities — where there was little rationale for public support. Without Government action, these claims were likely to continue and to increase. Ensuring taxpayers get better value for their investment is essential for the program's long term sustainability.

We have deliberately applied the Tax Credit to all research and development performed in Australia, because the majority of knowledge dissemination comes from where research and development is performed, not intellectual property ownership.

Intellectual property ownership is no longer a factor limiting businesses' ability to claim support for eligible research and development activities. The Bill removes outdated foreign ownership restrictions on intellectual property under the R&D Tax Concession, recognising today's global business and investment environment.

Software is now subject to the same eligibility tests as other forms of research and development, with the exception of certain in-house software. For example, where software is used for day-to-day business administration of the business, such as management information systems and enterprise resource planning, software

The general rule is that to be eligible, research and development activity must be conducted in Australia. However, the Government acknowledges that Australia is not home to all necessary infrastructure or expertise, and that circumstances may arise where some research and development can only be conducted overseas. Consequently, R&D conducted overseas will be eligible under the R&D Tax Credit in certain circumstances and subject to certain conditions.

The new R&D Tax Credit provides flexible support for companies no matter whether they undertake research and development - in-house (including on the production line or the factory floor) or if a third party undertakes it externally.

The Tax Credit retains the rule that a company can claim eligible research and development activities conducted only by the company or on its behalf. The rule is applied by weighing up three key criteria to determine the majority beneficiary, namely:

Who 'effectively owns' the 'know—how' or intellectual property to arising from the research and development activities;

Who has appropriate control over the conduct of the research and development activities; and

Who bears the financial burden of carrying out the research and development activities.

This enables identification of the appropriate claimant and prevents the duplication of claims where research and development is contracted out.
Companies can be assured of the eligibility of their research and development prior to their undertaking or registering that activity, by requesting an advance finding from Innovation Australia. The finding is assessed on the information the company provides on application. Should it materially change then the basis for the finding may also change.

Advance findings are binding on the Commissioner of Taxation to recognise associated research and development expenditures. They apply in the application income year and the following two income years.

And last but certainly not least, firms will be able to receive greater administrative support including clear and comprehensive guidance materials from both AustrIndustry and the Australian Taxation Office.

Administrators will always refer to the legislation, Explanatory Memorandum and, legislative instruments in administering the Tax Credit. This will safeguard the policy intent of the program.

Following further stakeholder consultation the Government has adopted recommendations of the Senate Committee relating to ongoing monitoring of the operation of the legislation, the review of the legislation after two years of operation, and the establishment of an advisory group to inform me and my Department of any unforeseen consequences of this important initiative.

The advisory group, broadly representative of industry, will monitor if the implementation and operation of the incentive. It will consult industry and advise whether the Tax Credit achieves its objectives and if it secures additional investment in research and development.

The advisory group will be appointed as soon as practicable after the Bills receive Royal Assent.

Today the Government is moving an amendment relating to the commencement date for the R&D Tax Credit, and a request for a consequential amendment. In addition, the Government is moving a request relating to Quarterly Credits.

I will now speak to each of these in turn. In moving the first of these amendments, I share the disappointment of many businesses over the delay in starting the program - especially those small businesses who might have hoped that the program would start from 1 July 2010.

Businesses will now be able to plan their research and development activities with confidence, knowing their entitlement to access the increased benefits available from 1 July 2011.

In moving the second amendment, I would like to acknowledge the assistance of the cross-bench in advancing industry views on Quarterly Credits. This amendment affirms the Government's commitment to listen to industry and act on constructive advice.

In recognition of the unique position of cash-starved firms, the Government will introduce a new element to the R&D Tax Credit: quarterly credits for businesses with a turnover under $20 million, from 1 January 2014.

Quarterly credits will allow small and medium enterprises to choose the option best suited to their business requirements. They can either continue to simply claim the research and development tax incentive at the end of the income year in which the research and development is undertaken, or apply for quarterly credits that will deliver the benefit in the income year the company undertakes activities.

The precise rules governing whether and how a particular firm will be able to receive quarterly credits, and the most efficient and effective means of providing quarterly credits in general, will be determined in the light of experience with the operation of the new R&D tax incentive.

Consequently, it is not feasible to include those details in these amendments, which instead provide for the regime to be implemented through regulations. However, the amendments demonstrate the Government's clear commitment that a quarterly credits regime is to be a part of the new R&D tax incentive.

I commend the Bills to the Senate.

Question agreed to.

Bill read a third time.
COMMITTEES
Community Affairs Legislation Committee
Economics Legislation Committee
Education, Employment and Workplace Relations Legislation Committee
Environment and Communications Legislation Committee
Foreign Affairs, Defence and Trade Legislation Committee
Legal and Constitutional Affairs Legislation Committee
Rural Affairs and Transport Legislation Committee

Report
Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (16:18): Pursuant to order and at the request of the chairs of the respective committees, I present reports on the examination of annual reports tabled by 30 April 2011.

Ordered that the reports be printed.

BILLS
Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Senator CORMANN (Western Australia) (16:19): This bill we are debating is part of the government's NBN fiasco. Consistent with its modus operandi it seeks to minimise or remove competition and to put the government in control—government knows best irrespective of the additional cost, irrespective of the inefficiency or the waste. This government has a scary disregard for the value of taxpayers' money. Of course we know that. We well remember that, in relation to the NBN, the government did not conduct even as much as a cost-benefit analysis. We well remember that the minister, Senator Conroy, and the then Prime Minister, Kevin Rudd, designed the NBN policy on the back of an envelope in an aircraft. They came up with 'sort of an appropriate figure that we should put to it'.

To make it sound scientific they did not want to come up with a round figure so they came up with a figure of $43 billion. There was no science to it. It was back-of-an-envelope type stuff. Of course, ever since, they have been playing catch-up, trying to come up with some sort of justification for that very inappropriate way to deal with taxpayers' dollars.

In this bill the government equally has made no attempt whatsoever to maximise value for money with the arrangements that it is proposing to put in place to bring fibre to greenfield sites. The coalition supports the principle of encouraging fibre to greenfield sites. Of course, I am referring here to the dissenting report that was put forward in June by the member for Wentworth, the Hon. Malcolm Turnbull, as part of the advisory report on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011, where he noted:

While it costs more to install fibre than copper in a new development, the incremental cost is much less than the cost of installing fibre in brownfields sites. The Government’s stated policy is that in developments of 100 homes or less Telstra will install copper. The Coalition members believe this approach risks wasteful duplication with copper presumably being overbuilt within a few years if it is within the fibre footprint. On any view connecting greenfields developments to fibre must be a key priority given the cost advantage over brownbuild fibre overbuilds referred to above.
We agree with the principle of encouraging fibre onto greenfield sites. However, it is important to do it right, and that is where this government has significant difficulties—it does not think things through. It takes a very ideological approach to government and has a complete disregard for the value of taxpayers' dollars. It does not come to this with a view to making sure that we stretch the value of the dollar as far as possible and that we maximise the efficiency, the impact and, ultimately, the affordability for consumers. That is not the approach of this government. This is a government which is focused on putting government at the centre of all things, irrespective of whether that is the appropriate way to go. We are really concerned that this bill would further destroy broadband competition, because it would make it preferential to use the NBN. It would make it artificially cheaper for developers to use the NBN, rather than existing fibre installers, to lay fibre on greenfield estates. It would give NBN a competitive advantage in the marketplace, yet again, when there is no proper justification for doing so.

Labor is actually doing the opposite of what it promised. Senator Conroy, the Minister for Broadband, Communications and the Digital Economy, said in December last year that he would preserve the role of private fibre installers and operators. Instead he has structured this bill in a way which would further entrench his monopoly, NBN Co., which is very clearly not in the national interest. For the benefit of the Senate and for senators who might be considering their position on this bill, I will quote what Senator Conroy said in December 2010:

It has been a consistent feature of the government’s policy in new developments that there should be room for competing providers. This continues to be the case.

… … …

Providers can compete to provide infrastructure in new developments—for example, by offering more tailored solutions to developers or more expeditious delivery.

That is exactly the opposite of what the government is now doing with this legislation. Why is the government so intent, through the power of legislation, to give its monopoly provider every single additional advantage in the marketplace that it possibly can? It is not appropriate, but that is the modus operandi of this government.

This bill and the way the arrangements have been put together demonstrate that the government has not learnt from the mistakes it has made on NBN policy more generally. The NBN is of course a government owned company which was created to build the network. It is going to cost taxpayers billions and billions of dollars. It will have monopoly powers. The government thinks that this company should do everything. It should be in control of the whole shooting match—the whole shebang. Of course, that makes it way too expensive. It is bad for competition and it is largely unnecessary, as the private sector can do the job faster, more efficiently and cheaper, as long as the parliament and the government have set the appropriate ground rules for all of that to happen. But, no, this government thinks government has to be in charge of everything. This government does not believe in the benefits of competition. This government does not believe in the benefits, efficiency and value for money that can come from having the private sector compete appropriately with each other—and with NBN Co., for example.

I will go to the dissenting report by the member for Wentworth on behalf of coalition members of the Joint Committee on the National Broadband Network, because it raises a series of very important issues. It makes the point that the arrangements in this legislation are:

CHAMBER
... unnecessarily slow and bureaucratic for property developers.

In evidence to the inquiry, the Housing Industry Association made the observation that:

... the legislation needs to make it very clear who is responsible for the delivery and that there are certain obligations on the provider to do that in a very timely way, otherwise it will delay development. I appreciate that there are negotiations in the feasibility and planning arrangements, but there needs to be that level of certainty for developers so they know who is going to do it, who is going to pay for it and when it can be done. It should not take more than a couple of phone calls and a meeting to sort out it being put into the critical path of the development, otherwise those projects will be delayed whilst certain things are waiting for a provider to provide that infrastructure.

This bill will put in place significant additional burdens that are completely unnecessary.

The other observation made in this report is that this bill is a 'missed opportunity to impose competitive and cost discipline on NBN Co.' As presently drafted, the bill does not allow us to take advantage of the existence of competitive greenfield operators, which would impose effective competitive and cost discipline on NBN Co. I recommend the report to Senator Farrell, the minister at the table, if he is still thinking about how he is going to vote on this legislation. He should have a very close look at the report by the member for Wentworth. It is very good reading; I think he would learn a bit.

It would be way better if we had a regime where developers had a viable option to use competitive greenfield operators to build out fibre networks in their developments, because that would mean they could build the network more cheaply, quickly and conveniently. That would:

... produce a more efficient outcome if it meant that infrastructure in new developments were built at lower cost than if it were done by NBN Co under a monopoly.

It is very simple. If NBN Co. can provide the service at the lowest cost then clearly it should be providing the service. But the market should be free to test whether there is a cheaper, quicker, more efficient way to do it. Why does the government not want us to have the cheapest, most efficient way of bringing fibre to greenfield developments? Why does it want to inflate the cost? Why does it want that additional cost to be passed through the whole economy? This, of course, is on top of the carbon tax and all the other taxes. This is a government that does not mind imposing additional cost-of-living pressures on people across Australia. The approach of this government, whether with NBN Co. or with anything else they touch and stuff up, is to spend too much, to borrow—

Senator Williams: It is waste.

Senator CORMANN: And it is waste, as Senator Williams just pointed out—spending too much, waste, borrowing money. And then of course there is taxing: introducing one new multibillion ad hoc new tax after another. That is because we have this waste, because we have inflated costs, because this government wants to put government in charge of everything and because the government does not believe in the benefits of competition and because the government does not want these sorts of services to be provided at the most affordable cost.

It would be very simple to fix. All the government needs to do is go back to the policy statement the minister made back in December 2010: that he is happy to have competition. Competition is good. Competition keeps providers honest. If they know they are going to face competition they know they have to be as good as they can be. NBN
Co. would know that it has to perform, because if it does not perform there is going to be a private provider that might be able to do it quicker, faster and with better service. If there is that threat, it might keep NBN Co. on its toes. This government is obviously worried that NBN Co. will not be competitive. This government is worried that NBN Co. will not be able to provide value for money. So what does this government do? It puts a fence around NBN Co. It says, 'No, we don't want pesky private providers to be out there showing us up.'

If we allowed competition, people might actually realise that this white elephant we have set up is not delivering value for taxpayers' dollars. People would realise that it is just another example of waste of taxpayers' dollars and they would be even more upset about all these new taxes they face as a result of this government's persistent incompetence.

As the member for Wentworth, the Hon. Malcolm Turnbull, very astutely observed, this bill is damaging to competition in the market for the provision of new fibre infrastructure, and on this point I quote him:

The regime established by the Bill is damaging to competition in the market for the provision of new fibre infrastructure. Today, as is clear from evidence provided by GFOA there is a nascent but increasingly active market in which CGOs compete to secure contracts from developers to build out fibre networks in their developments. In some cases, the CGO builds the network and then also operates as a retail service provider, providing services over the network to residents in the development.

That is a very good thing. He goes on:

The regime established by the Bill damages competition for several reasons. First, by exposing CGOs to competition from a government funded operator which is prepared to install fibre at zero cost to a developer (once the developer has incurred the expense of building trenches and other ‘fibre ready facilities’), the regime will effectively make it impossible for such CGOs to compete. CGOs will be at a fundamental cost disadvantage because NBN Co is prepared to install fibre at zero cost, incurring a loss on the installation which it presumably hopes to recoup over time from service revenues.

This is typical monopoly-type behaviour. So you have a company, like NBN Co., which is getting not only the advantage of a 100 per cent taxpayer investment but also the advantage of the government muscle and the legislative muscle protecting its market position. Then, once everybody is sucked in, once everybody is locked in to this arrangement, nobody is going to be in a position to keep the company on its toes to provide the most affordable price and the most competitive service.

That is what this is all about. This is about locking in NBN Co. as the only viable provider, courtesy of significant taxpayer subsidies—multibillion-dollar taxpayer subsidies—and courtesy of protecting its position in the marketplace through legislation like this. Why is that in the national interest? It is a question Senator Mason asked earlier in relation to the carbon tax. Why is that in the national interest? And, I might say, that was a very eloquent contribution in the context of this debate.

With so much of what this government does, there is a real question mark as to why they are doing it, as to why it would be in the national interest to force people to pay more for the services that are going to be provided through initiatives like NBN Co. They would have to pay if the private sector and the competitive market out there were allowed to do its job. Through competition, within the context of an appropriate framework, you do get better value for money—better value for taxpayers' money and better value for the private money people have to pay for services they might choose to access, or
might not choose to access. If there is no provider out there that can provide a service at a price people are prepared to pay, maybe there is not sufficient demand to justify the expense in the first place.

The coalition, as constructive as we are, is proposing some amendments to make sure that the current flaws in this bill are addressed. Hopefully the government will see fit to support those amendments. Senator Birmingham, on behalf of the coalition, will be moving amendments to remove the disincentives for developers to use CGOs to install fibre infrastructure. The reason we want to do this is that we want to give developers an incentive to use competitive greenfields operators in the knowledge that, if they pay a CGO on a per connection basis, they will be able to recoup that cost by selling the connection to NBN Co. We want to ensure that developers have additional choices beyond the government's default option so that when they build a new development they will install fibre-ready facilities but there will be no live network installed. We do not want people to be locked into just one option. We want there to be a series of options.

This will impose a cost discipline on NBN Co. because it will require them to purchase connections at a reasonable price, which will be set at a price no greater than NBN Co.'s own average cost of installing a connection. This will mean that, if there are competitors that can build connections at a lower charge than NBN Co., there will be a cost saving to NBN Co. and ultimately to the taxpayer. Surely that would be a good thing. I am hopeful that Senator Farrell will make it his business to recommend to the government that they seriously consider this amendment.

There will be a second coalition amendment to this bill which will seek to address the damaging effects on competition in the market for the provision of new fibre infrastructure.

The overall point is that the government has not learned from its failure around the NBN. It is wasting a lot of money. Because it wastes so much money, it has to borrow more and tax more. It is not good for Australia. It is high time that this government started to learn the value of taxpayers' money and stopped wasting so much of it.

Senator XENOPHON (South Australia) (16:39): I rise to indicate my support for the second reading of the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011, but I reserve my position in relation to the third reading. I am open minded when it comes to the amendments that will be moved by the coalition in relation to this bill. Clearly this bill is necessary, but it is the way that it is implemented that is the key question. I think it is important that we reflect very briefly on the history of this legislation.

I voted for the structural separation of Telstra last year. I did so because I supported what many independent commentators said in relation to telecommunications in this nation—that it was held back because of the vertical integration, the virtual monopoly, that Telstra had. It was necessary to structurally separate Telstra. It was a case of trying to unscramble the egg, in a metaphorical sense—very difficult. It was a difficult reform exercise, but it was an exercise that many in the OECD thought was a good thing to do because, in OECD terms, Australia really lagged behind in telecommunications reform. So I supported that structural separation.

I also supported the government's NBN bill, with significant amendments that the government agreed to that would level the playing field to enable smaller operators to
compete fairly in the marketplace for business at the retail level, so there would not be price discrimination. I am grateful for the advice of Associate Professor Frank Zumbo in relation to those amendments about non-price discrimination. I thought there were some elegant ways around the concerns that were expressed by some, to make the NBN legislation fairer, to make it more effective and, above all, to allow more competition in the marketplace, which ultimately is unambiguously good for consumers.

Here we have this legislation about fibre deployment. The issue is:

It is estimated that 150,000 new dwellings and approximately 60,000 other types of premises (commercial, industrial and government) are constructed annually. NBN Co has calculated that 94 per cent of these new premises (or around 197,000) will be within the fibre footprint.

I am quoting directly from the recent report of the Joint Committee on the NBN, a committee that was established as a result of the negotiations I had with the Prime Minister last year in relation to my support for the NBN legislation. The Joint Committee on the National Broadband Network is an important transparency and accountability mechanism for the rollout of Australia's biggest infrastructure project. The committee report indicates:

The cost of installing fibre-ready infrastructure has been estimated at about $800 per lot or building unit. The cost of retrofit of fibre where no passive infrastructure has been supplied is estimated to be approximately $1,300 a lot or unit.

The legislation will be reviewed in five years to assess if it is still required. This legislation essentially is saying that NBN Co. will be responsible for fibre installation for all premises in the fibre footprint which are at the development stage. In other words, NBN Co. will be given a virtual monopoly for those greenfield sites. That applies to all broadacre developments, all infill developments where it has fibre that is ready for service and capable of connection and new approved infill developments of 100 or more premises.

Those are the basic criteria, but there have been concerns expressed. In the course of the inquiry, while the majority of contributors agreed with the general premise of the bill, there were a number of commercial fibre providers and industry groups that raised concerns about the bill's potential to do a number of things. Again quoting from the committee report, which I think gives a very fair summary of the evidence, the concerns were that it could:

- stifle competition in the Greenfield fibre provider market in the medium to long term;
- potentially exclude commercial fibre providers from the market place if developers preferred to wait for NBN Co to lay fibre at no charge; and
- limit the telecommunications services available to developments with less than 100 premises within the fibre footprint that are awaiting the NBN rollout.

There was a concern that those smaller providers would be disadvantaged. That itself should not be the only criterion. But, if the consequence of those providers being disadvantaged is that you have less competition and a blowing-out of costs and it puts those smaller providers at an unnecessary competitive disadvantage, then these are matters that we ought to be concerned about. The legislation outlines NBN Co. as a fibre provider of last resort. But the concern is that the way that this is structured means that effectively it will be a provider of first resort. That, to me, may pose a number of issues. A number of concerns have been expressed by the GFOA, Greenfield Fibre Operators in Australia, and I think those concerns have merit. Those concerns included, as I indicated, that NBN
Co. is in fact promoting itself as a provider of first choice and not of last resort as is intended in the legislation. In other words, the structure of it, despite what the legislation says, is quite the opposite of what it is meant to be.

Another concern is that the Australian government is ignoring its own competitive neutrality policy for government owned businesses. This policy, it is important to note, dictates that no competitive advantages should be given to government owned businesses over private sector competitors by virtue of their public sector ownership, nor by using their fiscal or legislative powers. All those elements are blended into this.

I have never had an issue with NBN Co. being a government owned enterprise. For such a major piece of infrastructure that has the potential to be a nation-building piece of infrastructure that will improve telecommunications and include a whole range of benefits that go with that, whether in health, commerce or technological advances, I think it is important that we have it set up as a statutory entity, as a government business enterprise, for when there is market failure. But it is important that it operates fairly.

A concern with this bill that the greenfield operators have indicated is that, if the bill is not amended to provide for protections and to encourage competition in deployment and the operation of fibre networks in greenfields, the competitive neutrality policy of the Commonwealth government will effectively be abandoned. There is a real concern about that. The government has responded to those concerns and it has discussed them comprehensively in the report, but the concerns of greenfield operators have not been addressed in the bill in its current form. I propose to detail and discuss this further. I think it is appropriate that the government be robustly questioned in the committee stage about the whole issue of competitive neutrality.

The greenfield operators association has indicated that two of its members have lodged complaints with the Australian Government Competitive Neutrality Complaints Office—it has the acronym AGCNCO; I have no idea how you would pronounce that!—situated within the Productivity Commission. This office is yet to report on the matters raised. That concerns me too because it clearly is a complex issue.

Another issue is: what do you do with services for new developments of fewer than 100 premises? TransACT here in the Australian Capital Territory has expressed some concerns in relation to this. It is concerned that there will be an anti-competitive and unlevel playing field for other infrastructure and service providers. This is what it stated in its submission:

This process has the potential to create a ‘digital divide’ between developments with less than 100 premises and those with more than 100 premises, both during and after the roll out of the NBN. It also creates an anti-competitive and unlevel playing field for other infrastructure and service providers. It seems that Telstra could determine unilaterally that it will service a development with a fibre-to-the-node (FTTN) or fibre-to-the-building (FTTB) solution, or even a mobile voice and broadband solution, which would prevent other service providers from accessing those networks given they are not regulated. This would further entrench Telstra as the monopoly provider in these markets, while also giving it first mover advantage to acquire the end-users as Telstra Retail customers, pending migration to NBN Co’s fibre network.

The concern raised by TransACT goes beyond complaints; it goes to some broader principles. It goes to the whole reason why we went through the very painful and costly process of structurally separating Telstra with the multibillion dollar deal to induce them to go down this path. It goes to the
issue of whether we are replacing one monopoly with another, in the process giving Telstra some in-built advantages. I thought the reason we went down the structural separation path, which I supported, was to free up the telecommunications market to make it more dynamic, competitive, effective and consumer friendly in the sense that with more competition consumers get a better deal, price and product. TransACT is expressing very serious concerns about that. The broader implications of that worry me.

TransACT has suggested that the bill should be amended to:

... include provisions that ensure these developments are serviced by copper from the local telephone exchange wherever reasonably possible. This would ensure the ULLS26—which I am sure means a lot to the six people listening to this on the parliamentary news network—

Senator Mason: That's not true.

Senator XENOPHON: It's not true?

Senator Mason: Thousands.

Senator XENOPHON: Thousands or dozens? If I may continue after that very unhelpful interjection by Senator Mason, the quote continues:

... is available to other service providers during the transitional period, prior to the NBN Co fibre deployment.

I think we should listen to TransACT—the ACT government, in effect—in relation to the fact that we might be entrenching further advantage to Telstra. We might be entrenching a further loss of competition and competitive neutrality with this. That concerns me.

I think it is important that where there is a greenfield site it be fibre ready. But it ought to be fibre ready so that you do not have a situation where existing operators—the small end of town, if you like—are being squeezed out by both Telstra, for some of those developments of 100 premises or fewer, and NBN Co.

I think it is worth indicating that the Housing Industry Association has advised that developers reported a cost of installing fibre to the premises in the range of $2,500 to $3,500 per premise. With additional installation costs, taxes, charges and developer margins, the cost will be up in the order of $5,000. The HIA stated:

Based on the numbers provided to HIA, the average cost to the developer per block for FTTP is in the range of $2,500 - $3,500.

The submission goes on to say that, when combined with additional costs, it is about $5,000. I think there are concerns about the robustness of the costings that have been put out by NBN Co. That needs to be tested. I do support the concept of a national broadband network, but it must be implemented in a way that gives the best value to taxpayers of the use of our funds, of all Australian taxpayers' funds. It must be set up in a way that genuinely enhances competition. It must be established in a way that gives better service than what we have had in the past. It must be set up in a way that ensures that we do not replace one monopoly, Telstra—which constrained telecommunications in this country—with another, NBN Co.

Therefore, whilst I support the principle of this bill and I support the second reading of this bill, I will very closely look at the amendments being proposed, particularly by the coalition, to see if they will improve it. If the coalition's amendments will stymie the effective and efficient rollout of the NBN then of course I am not likely to support those amendments. But if those amendments will genuinely enhance competition, give a level playing field for the small business sector and ensure the principles of
competitive neutrality, then those amendments will have my support.

I hope that the minister, Senator Conroy, who has a real passion for the NBN, who has driven the reform on this, will note that my questions in the committee stage come from a genuine basis of wanting this to work in the most effective, efficient way possible to ensure that we do not end up with a son of Telstra with the NBN, which I hope will not be the case. That is why we should not dismiss out of hand a number of the amendments proposed by the coalition or at least deal with some of the serious concerns expressed in a sense by those amendments. I support the second reading of the bill.

Senator MASON (Queensland) (16:54): I will leave the technical details of the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011 to my colleagues that have greater expertise in the area of telecommunications and broadband. What I want to do is make some brief remarks about the NBN and reflect on the relevance of that project to the government's recent record in administration—or should I say maladministration.

The Australian people now know there is one thing worse than the Labor government breaking its election promise. And what is that? It is when the Labor government actually sticks to its election promises, when it keeps its commitments. You see, the achilles heel of this government, of the Australian Labor Party, of the Rudd-Gillard governments, has always been the implementation of their programs. That is their great weakness. It has been from 2007, for nearly four years now, under this government. The list of failures and disappointments has been as long as it has been shameful. Some of it might have even been mildly amusing if not for the fact that billions of taxpayers' dollars have been wasted and, in some cases, lives lost.

There has been the farce of GroceryWatch and Fuelwatch, two websites supposedly designed to ease the pressures on the cost of living. The idea was that, if the government kept watching, the price of cabbages and the price of unleaded petrol would come down. Instead they went up. Perhaps they should stop watching. After the fiasco of GroceryWatch and Fuelwatch, many have said, 'If we can't trust the government to keep the price of onions down, how can we trust them to control the world climate?' or, indeed, as is being debated today, 'How can we trust them with spending tens of billions of taxpayers' dollars on internet infrastructure with the NBN?' And how right they were. After GroceryWatch and Fuelwatch, we have had the fiasco of the pink batts, the installation scheme that was compromised by widespread rorting, that put hundreds of thousands of homes at risk, that caused 200 house fires and four deaths and that cost the taxpayer billions of dollars to roll out and then tens of millions of dollars more to clean up—an absolute and utter fiasco.

Perhaps the most spectacular example of the Rudd-Gillard government's implementation failure has been in my shadow portfolio area of education. First, we had the computers in schools fiasco arising from Kevin 07's election promise to give every one of Australia's one million secondary students their own laptop. How I remember those election ads with the then Leader of the Opposition holding a laptop computer and saying, 'One of these will go to every student. This is the toolbox of the 21st century.' How could we forget it? So what has happened? Nearly four years on we know that the scheme has been under-budgeted by up to 500 per cent, with the Commonwealth forced to kick in extra money and an unwelcome financial burden
falling on state governments and also of course on the parents of those children. We also know that the rollout is way behind. At budget estimates we found that only 55 per cent of the just under 800,000 required had been delivered and installed, with a deadline looming on 31 December this year. Lastly, not a single one of those 800,000 computers promised has been connected by the Commonwealth to the fast, up to 100 megabits per second fibre broadband as Kevin 07 promised.

But if we thought the laptop fiasco was bad, the $16.2 billion Building the Education Revolution program, colloquially known as the Julia Gillard memorial school halls program, has truly won infamy in the annals of government incompetence, waste and mismanagement in this country. The BER has been a fiasco. In the end, the government hand-picked BER Chairman, Brad Orgill, who has been forced to admit something that everyone in the community and the coalition have been saying right from the start—that is, that government school projects, particularly in the three biggest states of New South Wales, Victoria and Queensland have been overcharged, when compared to their Catholic and independent equivalents. Do not believe me; read the Orgill report. That is a disgrace. Those kids who go to government schools—like I did—missed out when compared to kids at Catholic and private schools. That is disgraceful from a party that, allegedly, stands up for the parents of those children.

But, by then, billions of dollars had already been wasted by Labor state governments, confirming the Commonwealth Auditor-General’s finding that the Commonwealth Department of Education, Employment and Workplace Relations did not put in place sufficient oversight mechanisms so they could even assure themselves that they were getting good value for money. I did not find that; the Auditor-General found that. He found that the Labor Party spent $16 billion and that the Commonwealth department of education did not have the oversight mechanisms to ensure that those schools were providing value for money. Is that a disgrace or not? The sum of $16 billion, spent by this lot, and not even appropriate oversight mechanisms to ensure that it was money well spent. They sit there, trumpeting the BER as money well spent. The Auditor-General has said that the money was badly spent.

I am not recalling any of these instances for my own pleasure—on the contrary—although I am getting pleasure. It pains, at least, the opposition—not that lot over there—to see billions of taxpayers’ hard-earned dollars flushed down the fiscal toilet. Some of the ideas were not too bad, but they were a shambles in the implementation. The ideas were battered to death by the appalling implementation of the Labor Party.

All these fiascos share commonalities that tell us a lot about the government’s approach to policy implementation—a pattern, I fear, that we will see repeated on a much more monumental scale. On what? The rollout of the NBN. If you think the BER has been bad, just wait for the NBN—this shame of incompetence, this total inability to efficiently implement programs, even though some of them may have been worth while. But that is the grand failure of the government, over four years, with respect to not all their ideas but their incapacity to implement. That is their failure.

I think it was Talleyrand who said of the French Bourbon dynasty: ‘They forget nothing and they learn nothing.’ The same could be said of this loser government.

Let me just outline to the Senate how it works down there in the PMO. Some barely
pubescent senior adviser down there gets a brain snap, the grander the better, because the main point is that it has to make a great, 10-second media grab and be an election slogan. That is the key: it has to make a great, 10-second media grab. It might be 'A computer for every student'—a great grab, a good idea. It might be 'A hall for every school'—a great slogan. Or it could be 'Broadband for every Australian'—another brain snap that sounds great. No thought whatsoever is given to implementation. No one thinks through all the issues, no one costs it and no one does feasibility studies or business cases. Figures are just plucked out of thin air, as they have been for the last four years.

But by then, of course, it is too late. The announcement has been made, the government has been committed and the political effect has already been achieved. Then the hard work starts—or at least it should—but in, many instances, it does not or it cannot. The case in point: the National Broadband Network. Once the poor bureaucrats are sent out, with the unenviable task of giving flesh to government brain snaps, they soon discover that the government's so-called policymakers have not thought through all the implications. That is the problem. The sums initially budgeted for are grossly underestimated, time lines bear no relation to reality, there is insufficient expertise to take on the task and so its implementation has to be subcontracted to other parties who take the money and run, unhamppered of course by any form of accountability.

What the government lacks in brains—their own—they do not lack in money; the taxpayers. After all, you can always borrow more of that! 'Who cares,' says the Labor Party. Sure, you might saddle future generations with $80 billion of debt, in a little over three years. But, hey, you do not have to worry about repaying it, do you? And, in the meantime, you can grab any brief flash of glory on the off-chance that something actually goes right. Yes, you get a good headline. Call it 'The stupidity premium'—billions of dollars of taxpayers' money to pay for the fact that this government speaks and then commits taxpayers' money before it actually thinks. That is the problem. This has happened time and time again, and each time more and more money is at stake—GroceryWatch, petrol watch, pink batts, computers in schools, the BER and others. And so the list goes on. Now we face a project which dwarfs any previous infrastructure in Australia's history. This is the grand-daddy of them all, and it is in the charge of this lot.

Senator Cameron: Madam Acting Deputy President, I raise a point of order. This is a health and safety issue. I think we are going to end up deaf in here! If the senator could just lower it a little bit, we may be able to survive this tirade.

Senator MASON: With over $40 billion of taxpayers' money at risk, I will just speak up. What we now face in this country dwarfs any previous infrastructure scheme in Australia's history by far, with tens of billions of dollars to be spent on a technology that is already becoming obsolete, doing something that for most part the private sector is ready to do at no cost to the taxpayer. Again, a brain snap: no planning, no cost-benefit analysis and no business case ever made. If the past is anything to go by, and with this government it sadly is, we can expect a few things. We can expect further budget blowouts. After all, the cost of this promise has already increased tenfold since first announced in...
2007. We can also expect further delays. After all, the timeline for the rollout has already stretched from five to 10 years. And we can also expect a substandard product. We can expect the worst. That way at least you will never be disappointed by this Labor government.

Debate interrupted.

FIRST SPEECH

The PRESIDENT: Pursuant to order, I now call Senator Rhiannon to make her first speech and ask honourable senators that the usual courtesies be extended to her. I call Senator Rhiannon.

Senator RHIANNON (New South Wales) (17:09): I acknowledge that we are standing on the lands of the Ngunnawal and Ngambri peoples. I pay my respects to their elders past and living and I recognise that the crimes committed against Aboriginal peoples across this nation require urgent redress.

I dedicate this speech to Simone Morrissey. She died suddenly on 5 August this year. She was 24 years old. Simone was a friend, a unionist, a member of Marrickville Greens and a Greens NSW candidate. Simone's wisdom, commitment and independence of mind and spirit are deeply missed. I extend my condolences to her family, friends and work colleagues.

Thank you, Mr President. It is wonderful to be sharing today with so many friends.

History demonstrates that while parliaments make the laws, people are the driving force for social change. I believe one of the great strengths of the Greens is our constructive parliamentary work, combined with our commitment to amplify in this place the voice of progressive people's movements.

I am passionate about working with people—helping to improve their everyday lives, learning about their good experiences and how they cope with tough times.

In this chamber, while there is a divide on some fundamental issues critical to the future of the planet, I still believe that our shared humanity means that on many causes—often more than we realise—we do agree. I look forward to working with all senators to find common ground wherever we can.

As senators we are able to pursue our work because of the hard work of others. I wish to express my appreciation to the Clerk, the Senate staff and all the parliamentary staff who have helped us so much in recent weeks. And to my staff, a very big thank you.

Much of our quest for social justice has its roots in the industrialisation of Europe in the first half of the 1800s, when many started to question the inequality in power and wealth distribution. These struggles by people who were marginalised, victimised, and in some cases sent to penal colonies in Australia, played a key role in the development of the tenets of modern-day democracy.

I pay tribute to our forebears whose courageous work and sacrifice has helped to build our democratic institutions and our rich legacy of progressive campaigning. The Chartists and the Irish rebels sent here as convicts were political prisoners whose voice for democracy and the liberation of Ireland from British colonialism were early examples of radical causes that became mainstream.

The Eureka Stockade extended far beyond the Ballarat goldfields, also adding to our fine tradition of people's actions that lead to parliamentary reforms. Mark Twain on a visit to Australia in 1895 summed up this great event:

It was revolution—small in size, but great politically; it was a strike for liberty, a struggle for principle, a stand against injustice and oppression.

In my life's journey my work at times has brought me into contact with members of the
federal parliament. The first time was in 1968. The Vietnam War was raging and peace talks were about to be held in Paris.

I came to Canberra aged 16 years with about 100 high schools students carrying our message 'Paris must mean peace'. Former Labor MPs Dr Jim Cairns and Tom Uren met us on the steps of the old Parliament House and hosted our visit. I remember their words of encouragement. These two great Australians urged me and all the young school students at that protest to always speak out to expose injustice. On 14 May 1968 Dr Cairns and six other MPs presented our petitions to the House of Representatives.

Supporters of this protest included Reverend Ted Noffs, Reverend Alan Walker, founder of the Liberal Reform Group Ken Thomas, and a number of unions. The Hansard for 16 May 1968 shows that some conservative MPs used the grievance debate in the House of Representatives to misrepresent our motives as 'communist inspired', with insults not dissimilar to what some commentators have said recently about my current political work.

Forty-three years after my first visit, I am proud to stand here as a Greens senator. The Australian Constitution sets out that this parliament has 'power to make laws for the peace, order, and good government' of the nation. I respect the institution of parliament and I will work hard with my colleagues to play my part in achieving these objectives.

My science classes were a joy. They led me to study botany and zoology at university. Mrs Komon opened up the world to my inquiring mind. She insisted her pupils read Rachel Carson's *Silent Spring*, which reveals the damage humans were inflicting on the earth and its species. Across disciplines we explored the interconnection of the planet's living and non-living cycles. I learnt that these beautifully tuned systems are to be studied, marvelled at, but disturbed at our peril.

We are now living with the disturbance of the earth's natural cycles—human induced climate change. We know solutions are at hand: a multitude of renewable energy systems, efficient public transport and low energy use buildings. Direct public investment in clean energy and more resources for TAFE to expand our skilled workforce will be critical to managing the transition to a zero emissions economy. No one needs to be financially disadvantaged in this restructuring.

My family and friends bring me great happiness and love. I had a wonderful childhood and was encouraged to be an active citizen in my community. My working-class family placed great stock on education—not just formal schooling. It was about 'getting skills under my belt', as mum and dad would say. Dad taught me to surf and about self-defence. Mum taught me that women are strong. I was fortunate to grow up surrounded by generous people, like my parents, deeply committed to making the world a fairer, more peaceful place for all. My parents, Bill and Freda Brown, are no longer alive but would have supported me here today, as they did in all things. I am still surrounded by the love of my family: my partner, Geoff; my children, Rory and his partner Brooke, Kilty and her partner Peter, and Conor; and their children, my grandchildren, Jack, Kira, Rocco, Mimi and
Jaya. Thank you for your love and support. I am so happy my Uncle Rae is with us today. These days he is the elder of our family and, importantly, a former Easts first grade rugby league player.

On my political journey, I joined the Socialist Party and I am proud of the campaigns on unemployment, women's rights and nuclear disarmament that I was involved in. Over recent months, there has been a revival of cold war rhetoric and McCarthyism style politics with the intent to discredit my work and in turn that of the tens of thousands of Australians who have joined socialist and communist parties. By far the majority of these people were motivated by altruistic values and a desire to serve the best interests of Australia and all humanity.

It means a great deal to me that Jack Mundey is here today. The green ban movement, initiated by the Builders Labourers Federation when Jack was the NSW state secretary, is one of the world's great social movements that inspired the politics of the Greens and it is from where the Greens take our name. The face of Sydney would be quite different if, in the 1970s, the criticism of the green bans by conservative federal and state MPs had been accepted and acted on—the Rocks and Woolloomooloo were slated to be covered in office towers. I pay tribute to Jack and all members of the BLs, as they were once known, for initiating 42 Green bans in the early 1970s. More than 100 people were arrested in actions that saved homes and urban bushland and pushed New South Wales MPs to pass the first laws in Australia to protect heritage and promote community involvement in planning. The social movement unionism that the Builders Labourers pioneered—bringing together unionists, environmentalists, resident action groups, students and many concerned members of the public—developed a style of political cooperation that I am proud to say is a cornerstone for the Greens today. It is very special for me that I became a senator in the 40th anniversary year of the first green ban.

Although environmental challenges are growing, the achievements are monumental. When I was educated in the 1960s and 1970s, the word 'environment' was rarely found outside a science textbook. Today we have environment ministers, numerous international environment treaties and most political parties know that, come election time, a policy on the environment is a must. Likewise, respected economists now agree that environmental damage is no longer an externality that can be ignored. These developments are a credit to the many courageous folk who have protested, written letters, staged tree-sits, organised banner drops and all the myriad of creative actions that have been the key to promoting environmental considerations into the body politic.

In the early 1990s I was working with the Rainforest Information Centre when I had the privilege to spend time with members of the Penan tribe and the famous Swiss environmentalist, Bruno Manser, who were in Australia campaigning to save the Sarawak forests. Their attitude taught me so much: their forest homes were being destroyed but they remained positive about the worldwide campaign to save the world's rainforests, arguing that it was a success as we were raising awareness. I wish to pay a special tribute to Bruno Manser, who went missing in Sarawak under suspicious circumstances. The continuing loss of the planet's forests is one of the many shameful acts of recent human history.

By the end of the 20th century, neoliberalism had successfully repositioned the public discourse around the dominance of the free market, unconstrained by
appropriate regulations. Public provisions in housing, education and health had declined, bringing hardship to many. Laws protecting the environment had also been weakened under this influence. Recent history has shown us that without a strong regulatory environment the market leads to speculation and practices that undermine financial stability and security.

I am deeply troubled by the increasing power of large corporations. The influence of lobby groups, political donations and advertising campaigns, which are undermining good policy proposals including a mining tax and a price on carbon, is affecting our democratic processes. But I still feel confident in the future. The Greens’ policies are my anchor; they provide a solid base for my work as a senator. The Greens are committed to addressing economic inequality. The burden of debt, both personal and through mortgages, for too many has become a permanent fixture of daily life. This stands in sharp contrast with the many CEOs who receive astronomical bonuses on top of their salary package, sometimes granted after the CEO has successfully shifted the financial crisis their company faced onto the public purse.

Harvard University political scientist Robert Putnam writes about the growing class divide in the US, driven by the disparity in wages and economic security. Australia is also becoming a more unequal society. Twenty per cent of Australia’s wealthiest citizens own 60 per cent of this nation’s wealth, while the poorest 20 per cent own just one per cent. It is time to ensure intergenerational inequality does not become entrenched. Taxes on wealth, like an estate tax, and a sovereign wealth fund are needed in Australia. We also need an improved progressive taxation system. A starting point would be eliminating loopholes used by some businesses and investors to minimise tax obligations and taxing family trusts in the same way as companies.

I am looking forward immensely to my portfolio work and to the opportunity to build on some of our wins from my time in the New South Wales parliament. I pay tribute to former and current New South Wales state MPs. As a result of working with communities, we helped save Callan Park, create more national parks, win a funding boost for rural rail branch lines and lots more. We campaigned to transfer funding from the elite wealthiest private schools to public schools and we pushed for legislative reforms to deliver equality to lesbian, gay, bisexual and transgender people.

The New South Wales Greens effectively built the case for electoral funding reform by campaigning to expose the influence of corporate donations on politics. The reforms achieved in New South Wales need to go national. In my home state we now have a ban on political donations from the property industry, tobacco companies and the for-profit alcohol and gambling industries. I would like to congratulate and thank Dr Norman Thompson for his years of hard work on the Greens’ Democracy4Sale project.

My work with farmers and regional communities affected by mining expansion across New South Wales has again taught me the importance of building alliances. Farmers, environmentalists, city and country, people from differing ends of the political spectrum joining together to say that our nation’s food bowl is too valuable to sacrifice to short-term mining interests. Now is the time to legally protect agricultural lands and their water resources. During my time in the New South Wales parliament I added my voice to the call for the abolition of the Australian Building and Construction Commission. There is no justification for
laws that give some workers fewer rights than accused criminals, let alone other workers.

I am honoured to again have this opportunity to represent New South Wales as a senator and I look forward to working to protect its forests, coasts, rivers, farming lands and the rights of all residents. Among recent significant achievements for the Greens, the standout for me was gaining two lower house seats. Hearing the titles 'Greens MP for Balmain, Jamie Parker' and 'Greens MP for Melbourne, Adam Bandt' still gives me a buzz. If we had proportional representation in the House of Representatives, the Greens nationwide vote at the last election would have translated into the election of 17 federal Greens MPs. A Greens priority is greater democracy in our parliaments, workplaces and communities.

We have an excellent party room. I feel very fortunate that I have become a senator at this time. Thank you to my fellow Greens members in this parliament and to their staff for easing me into the job. One regret, though, is that I will not be working side by side with our first New South Wales Greens senator, Kerry Nettle. Kerry, I aim to build on your fine endeavours. I pay a special tribute to Senator Bob Brown for what he has done for the Greens and for the planet. I first worked with Bob in this parliament in 1997, when Bob assisted AID/WATCH, where I was working at the time. Bob and I share many passions about the environment and politics, including watching the antics of the Australian newspaper and its take on our relationship. In the Greens we know we do not have all the answers. No one individual, party or organisation does. What we do have is a cooperative, respectful style of work that helps create the objective conditions to bring forward solutions. I think that is why I feel at home in the Greens.

One year and four days ago, 443,913 people in New South Wales voted for the Greens. I thank the voters and our hardworking campaign team. To all Greens members and supporters, I love your passion and commitment and I will do everything I can to take forward our platform during my term as a Greens senator. To the people of New South Wales, I will proudly serve you as a senator of our state. To all Australians, I believe that the Greens work in parliament, in cooperation with communities, will build the next chapter in Australia's history, where we will move to a zero-emissions economy, achieve greater equity and a fairer society for all, improve environmental protection and win justice for refugees.

I commenced this speech highlighting my great faith in people and my belief in our shared humanity and common decency. In the coming months and years I look forward to working with people across this country. That is where I draw strength and inspiration. I love this work, and I am so fortunate that when the meeting or parliament or the event that I have been attending is over I have my lovely family to head home to. That is pure happiness. Thank you, Mr President.

BILLS

Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011
Second Reading

Debate resumed on the motion that:
This bill be now read a second time.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (17:33): I would like to thank all senators who have spoken today on the
Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. Regrettably, many of the opposition's comments—those of Senator Birmingham, Senator Joyce, Senator Macdonald and Senator Bernardi, which at times was like listening to people baying at the moon—have focused on its opposition to the NBN.

Senator Birmingham: Howl!

Senator CONROY: Exactly. I am not sure Hansard could pick up the baying from the other side just then, but they should have. Their comments have focused on their opposition to the NBN as a matter of policy, not the bill before us. In the interests of time I will not dwell on this but will focus on the bill. I think Senator Birmingham was the only one who even got close to speaking on the bill, so he does deserve some credit for at least attempting to pretend he is opposed to the bill.

The government does not agree that, in the absence of public sector investment, Australia will have the broadband infrastructure available to improve our productivity, global competitiveness and social wellbeing. This is demonstrated by the private sector's failure to provide this infrastructure even with the offer of government funding under the original NBN request for tender process. Many of the problems people have with broadband access relate to a copper network that is inadequate and failing, wireless that is inadequate to the demands being placed on it and fibre provision that is extremely limited and patchy at best.

Contrary to the calls of opposition senators, a cost-benefit analysis is not required. The project has already been subject to extensive ongoing scrutiny including by the Joint Committee on the National Broadband Network, as Senator Ludlam noted. The government is committed to getting on with the project.

Senator Birmingham, what do you think the Productivity Commission could add that you could not? Personally, I think you are more than adequate to ask questions regularly of the NBN. You argue that your attempts are inferior to those of the Productivity Commission, but I am going to disagree with you and stand up for you on this point. It is in this context that I welcome Senator Ludlam's words of support for the NBN generally. He recognises the real potential of the NBN to advance Australia and prepare it for the digital economy of the future. Services on the NBN will be affordable. This is already being demonstrated by proposed pricing packages being launched by retail service providers. NBN Co.'s discussion paper on its proposed special access undertaking does not contradict this. NBN Co.'s SAU will set out NBN Co.'s regulatory undertakings for the supply of services to provide certainty and transparency, but it is not a forecast for actual prices. NBN Co. has also said it will be adhering to the pricing set out in its corporate plan.

Senator Joyce again raised the idea of 'unit pricing', as he calls it, and through it the government's commitment to uniform pricing. While this is not very relevant to the bill at hand, I thank him for giving me the opportunity to yet again reiterate the government's rock-solid commitment on uniform national wholesale pricing—something he will not get under his own plan, something he will not get under the plan of Malcolm Turnbull, something that Senator Joyce will not be able to deliver for regional and rural Australians if he votes for the plan of Mr Turnbull. This is required
under the statement of expectations the government issued to NBN Co. last December. It is embedded in NBN Co.’s network design and operation.

NBN Co. will be able to use revenue from lower cost, higher value markets, such as metropolitan areas, to deliver equitable pricing outcomes for users in regional, rural and remote communities. As Senator Joyce knows, this is just what the Queensland Nationals demanded at their state conference in 2005 when they passed a resolution calling for uniform national wholesale pricing in:

... all new telecommunications and satellite Internet connections to ensure all Australians are charged the same basic price for maintenance and new connections.

Senator Humphries asked about aerial cabling. NBN Co.'s corporate plan assumes that the majority of cabling will be underground—some 75 per cent. This will be supported by definitive agreements between NBN Co. and Telstra. Where existing cabling is underground, and in new developments, cabling should remain underground. Any aerial cabling would be kept to a minimum and would be in areas where there is existing overhead infrastructure, such as powerlines. It is not, however, a cost-cutting measure. It is simply the most efficient and feasible solution in some limited situations. These principles would apply in the ACT as they would apply anywhere else. As Senator Humphries himself mentioned, there is already overhead cabling in parts of the ACT, often in backyards rather than in the street.

Coalition senators have queried the government's commitment to competition in the provision of new infrastructure in new developments. The government is open to competition and innovation in the provision of such infrastructure. Senator Macdonald read several quotes to this effect. However, the government has also consistently said that, if alternative providers want to compete with NBN Co., they are welcome to do so. But it is on the understanding that they have the resources and ability to do so.

Mention has been made of competing fibre providers. There are a small number of alternative providers—around 10 of them. They have some technical expertise and experience. Senator Humphries mentioned TransACT, which is one of the larger ones. But, as the opposition pointed out in its dissenting report on the bill, it is a nascent sector—that is, it is in its earliest stages. These are relatively small-scale operations. Generally they have targeted developments which have been the most commercially attractive. They have been able to pick and choose the developments which they service. Their own evidence to the Joint Committee on the National Broadband Network indicates that they are not well placed to service Australia as a whole. Around 200,000 new premises are constructed each year. These providers do not have the scale to deal with this. It needs a national operation. Even if they could deal with this scale, to do so they would require extensive subsidies both for fibre and for backhaul. The reality is that they want to pick the lucrative markets while leaving the NBN Co. the hard ones and national coverage—or they want to be paid handsomely to do otherwise.

The government has established NBN Co. to provide high-speed broadband all across Australia for all Australians, charging uniform national wholesale prices, and the government is providing equity funding to deliver this outcome. This includes allowing NBN Co., in new developments where required, to spread its costs nationally and recover them over time. If other providers wish to compete with NBN Co., they are free to do so, but they are to do so on their own terms.
I turn now to the matter in hand. This bill will amend the Telecommunications Act 1997 to provide a legislative framework for the installation of fibre-ready telecommunications infrastructure in new developments. The purpose of this bill is to ensure that new developments are ready for fibre based technology. It is part of the government's strategy to build a superfast broadband network which will underpin our future productivity and competitiveness and meet our citizens’ needs.

There is a new senator in the chamber tonight, Senator Madigan, and I welcome his participation and his listening in on this debate. It has been an extensive debate. I am sure you have seen much canvassed in it. But what I would really want to ensure you consider before you decide how to vote on this is that the NBN is being rolled out today. It is being rolled out very shortly in Bacchus Marsh, an area not far from where you originally came from in the good state of Victoria. Those are the fibre-to-the-home developments. We are also going to be rolling out, as you might have seen in a recent announcement from the government, the fixed wireless network. That will also go to regional areas around Ballarat. Among all the excitement of coming here, I am sure you have not had a chance to follow everything I have said—and congratulations and good sense there—but we have also started delivering the interim satellite, which covers all of Victoria, including areas in and around Ballarat. So the NBN Co. is delivering fibre, wireless and satellite to everybody across Australia. In its early stages, it is going to be in all three forms in and around Ballarat very soon.

The key thing to understand is that the uniform national price is enabled by charging more in metropolitan areas to cross-subsidise the bush. We are unashamed about this. We have said that we believe it is what should be done and that it will deliver equal opportunity for everybody, no matter whether they live in Ballarat or any of the areas around country and regional Victoria. Our opposition have said that they support vouchers. People in and around Ballarat, in and around regional Victoria—Mr Turnbull's plan is to give them a voucher. He has recently stated publicly that he does not believe in cross-subsidies. He does not believe that metropolitan areas should pay more to subsidise people in regional and rural Australia. Here is your opportunity today, on behalf of regional and rural Victorians, to let Malcolm Turnbull know exactly what you think. Should regional and rural Victorians be, as Mr Turnbull wants, receiving a voucher for telecommunication services or should they get a cross-subsidised price equal to what people in Melbourne, Sydney or Brisbane pay? Those are the very simple economics of the NBN.

Very shortly, you will see some amendments being moved which are all about destroying the economics of the NBN—cherry-pick, pick the rich areas, go to the wealthy areas, destroy the economics of the NBN and the NBN will fall over. That is what is being proposed—

Senator Xenophon: On a point of order, Madam Acting Deputy President: the minister—

Senator Conroy: Are you feeling unloved because I have not mentioned you yet, Senator Xenophon?

Senator Xenophon: I can do without Senator Conroy's love any day. If I do this, I am picked up on it. The minister is referring to Senator Madigan personally. Any references should be through the chair. That is my understanding and that is my point of order.
The ACTING DEPUTY PRESIDENT
(Senator Stephens): Minister, please be
guided by the standing orders.

Senator CONROY: I apologise to
Senator Xenophon that I have not spoken
directly to him yet, but I will get around to it.
So, there is a very clear choice before the
chamber—do you support the principle that
everyone gets an equal chance, everyone gets
an equal price, everyone gets an equal
service, based on the three technologies?
That is what the NBN delivers. Or do you
want to try to sabotage it? Those on the other
side will be moving amendments that are all
about destroying the economics of providing
that cross-subsidy. This is essentially about
the cherry-picking debate. Public ownership
and the capacity to provide equal services
across the state of Victoria are at the heart of
today's votes and today's amendments.

The purpose of the bill, as I have said, is
to ensure that new developments are ready
for fibre-based technology. If fibre-ready
infrastructure is not installed in new
developments, it will have to be fitted later at
greater cost. It will cost more for every house
and business than doing it up-front. Retrofitting
would also be much more
destructive. It is simply more sensible to
install fibre-ready ducting in a trench that is
already open. Fibre can then be installed and
the houses occupied, or if that is not possible
it can be pulled through later.

Having said that, I stress that this bill is a
safety net. Most developers are already
installing fibre-ready infrastructure, and we
expect that most will continue to do the
sensible thing. This is a sensible preparation
for fibre and it appears to be generally
accepted. It was accepted by the joint
committee on the NBN, which recommended
that the bill be passed. It also appears to be
sensible to those opposite, although they also
demand that the bill be amended to tackle
issues far beyond the bill’s intended purpose.
I could say much more but in the interests of
bringing the debate to a conclusion I rest
there.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator BIRMINGHAM (South
Australia) (17:47): by leave—I move
opposition amendments (2) to (11) on sheet
7133:

(2) Schedule 1, item 10, page 4 (after line 23),
after the second dot point, insert:

If a compliant optical fibre network is installed
in such a fibre-ready facility, NBN Co will pay
the cost of installation.

(3) Schedule 1, item 10, page 6 (line 18), omit
"the conditions (if any)", substitute "any technical
standards and other conditions".

(4) Schedule 1, item 10, page 6 (line 25), after
"specify", insert "technical standards and other".

(5) Schedule 1, item 10, page 6 (after line 26),
after subsection 372B(4), insert:

(4A) The Minister must consult the ACMA
and relevant industry bodies before making an
instrument under subsection (4).

(6) Schedule 1, item 10, page 6 (line 28), after
"paragraph (1)(b)", insert "or subsection (4)".

(7) Schedule 1, item 10, page 8 (line 10), omit
"the conditions (if any)", substitute "any technical
standards and other conditions".

(8) Schedule 1, item 10, page 8 (line 17), after
"specify", insert "technical standards and other".

(9) Schedule 1, item 10, page 8 (after line 18),
after subsection 372C(4), insert:

(4A) The Minister must consult the ACMA
and relevant industry bodies before making an
instrument under subsection (4).

(10) Schedule 1, item 10, page 8 (line 20), after
"paragraph (1)(b)", insert "or subsection (4)".

(11) Schedule 1, item 10, page 9 (after line 4),
after section 372C,
372CA Purchase by NBN Co of installed optical networks

Scope

(1) This section applies in relation to the project area, or any of the project areas, for a real estate development project:

(a) that is compliant with Division 3; and

(b) in which a compliant optical network is installed by a person other than NBN Co.

NBN Co to purchase network if requested

(2) The person or persons responsible for the real estate development project may apply to NBN Co for NBN Co to purchase the network in accordance with this section.

(3) An application for the purchase of a network must be made within 3 months after the completion of the network.

(4) The person or persons responsible for the real estate development project must provide NBN Co with such information and access as NBN Co requires to satisfy itself that the network is a compliant optical network.

(5) NBN Co must purchase the network within 30 days after receiving the application.

Amount of payment

(6) The amount of the purchase payment must be in accordance with a scale of payments determined by the Minister for this subsection and published in the Gazette.

(7) The Minister must determine a scale of payments for the purposes of subsection (6) as soon as practicable.

(8) In determining a scale of payments, the Minister must take into account:

(a) the typical costs of providing such networks or elements of such networks, including significant regional variations in costs; and

(b) the costs that NBN Co would have incurred had it undertaken to provide such networks itself.

Interpretation

(9) For this section, a project area of a real estate development project is compliant with Division 3 if:

(a) section 372E or 372F applied to installation of a fixed-line facility in the project area; and

(b) any fixed-line facilities installed in the project area that were subject to subsection 372E(2) or 372F(2) complied with those subsections.

Note: These subsections require that the facilities be fibre-ready and that the installation comply with an instrument under subsection 372E(4) or 372F(4), subject to exemptions under section 372K.

(10) For this section, a compliant optical network of a project area of a real estate development project is a collection of optical fibre lines in the project area, each of which:

(a) is wholly or primarily used, or wholly or primarily for use, to supply one or more carriage services to either or both of the following:

(i) one or more end-users (whether or not identifiable) in one or more building units;

(ii) one or more prospective end-users (whether or not identifiable) in one or more building units; and

(b) is not on the customer side of the boundary of a telecommunications network; and

(c) is used, or for use, to supply a carriage service to the public; and

(d) for a line being deployed to a building lot—was installed in compliance with the conditions for such lines in an instrument under subsection 372B(4); and

(e) for a line being deployed to a building unit—was installed in compliance with the conditions for such lines in an instrument under subsection 372C(4).

As we proceeded to these amendments the Minister for Broadband, Communications and the Digital Economy asked why not move all the amendments together. That
would have suited the minister because he wants to bundle all of the arguments against the opposition's amendments together. That was obvious in the pitch that he made to Senator Madigan in particular as he argued vehemently that all of the opposition amendments were about undoing the NBN's business case, that all of the opposition amendments were somehow about ensuring that the best parts of Australia could be cherry-picked, that all of this was purely about destroying the NBN. That is not true, and it is not true for either set of amendments.

It is particularly noteworthy that this first set of coalition amendments, amendments numbered (2) to (11) inclusive, tries to look at the best possible way to actually get the NBN built, or fibre laid, in greenfield sites. These first amendments do not touch on cherry-picking in terms of retail delivery; they do not touch in that sense on the actual retail side of operations. The first set of amendments proposes, along with a number of consequential changes, a new section 372CA that will provide for the purchase of installed optical networks by NBN Co., and would insert that in division 2. This proposed section is intended to enable developers, whose development project has an installed fibre network that is compliant, to have the option of requiring NBN Co. to purchase that network at a reasonable price. The government's system has been set up to provide for this default arrangement whereby NBN Co. operates as the provider of last resort for fibre in new greenfield developments, but it is a default version that is very encouraging, it is a default provision that is very attractive, because if developers do not go with NBN Co. as the provider of last resort they will have to pay more for the facilities to be provided to the properties they are developing. So NBN Co. will come along and, as it is doing across the country at taxpayers' expense, lay the fibre up and down the ducts and pits that have been installed in new developments, or they can, at their own expense—or of course at the expense passed onto those purchasing properties in the development—pay someone else to lay the fibre up and down the ducts and pits. This first set of opposition amendments seeks to provide a capacity for developers to use existing or new, if they wanted to start up, private competitive greenfields operators—people who install fibre in those greenfields developments—and do so in the knowledge that if they have them lay out the fibre in their communities then they can recoup the cost of that by selling on a per connection basis the service that has been laid out to NBN Co., not an unlimited sale or price but simply selling at an agreed price.

Importantly, in this construction space, it is not the retail space, it seeks to preserve some modicum of competition. The opposition heard consistently during the inquiry into this legislation concerns from many people in the business of laying fibre that the government ran the risk of putting in place a system in which developers had the choice either to pay somebody to lay fibre or wait until NBN Co. does it for free. Guess what most of us do when we are given that choice? We will take the option of getting it for free.

The result is the monopoly that NBN Co. already has over laying fibre on brownfield sites—up and down all of our streets and homes in existing developments—is extended to this greenfields space where there is an already existing market. As the minister acknowledged, people are already laying fibre up and down the streets of new housing developments at the instigation of those developers. There is a market there. This bill, if passed unamended, will change and distort that market in a way where it will
become far, far more attractive for developers to simply leave it to the last resort provider, to NBN Co., to come along and do it itself.

So what have we done if we allow that to occur? There are several consequences. We have enhanced the NBN monopoly into these greenfield sites. In doing so, we have put a number of existing businesses out of the business of laying fibre because their business opportunities will have dried up. We will also create the perverse effect whereby the provision of fibre to these new developments will take longer than may otherwise occur. The developers will wait and trigger the last-resort provisions rather than take the opportunity to get the fibre installed into the ducts and pits of these new developments at the first available opportunity.

The coalition's amendments seek to ensure that developers have additional choices beyond the default option that the government has established, which over time would become the only option in many instances. When developers want to build a new development with fibre-ready facilities, they have a choice to go to the market and find complying businesses which will lay a compliant network that can be sold on to the NBN Co., hopefully at costs cheaper than the NBN Co. would be able to deliver it itself. Certainly, it would be at agreed regulated prices to ensure that there is not price gouging in this space, but hopefully to also apply some level of cost discipline upon NBN Co. by requiring it to purchase connections at reasonable prices which will be set at a price no greater than the NBN Co.'s own average cost of installing a connection. What it costs NBN Co. to install a connection is the maximum price that these private operators would be able to operate under. This would mean that if NBN Co.'s competitors can build connections at a lower charge than NBN Co. then there is a cost saving that can hopefully flow through to all.

As I indicated, there is a benefit to end users as well. The likelihood of incoming residents of new developments having active fibre services connected to their premises is increased by pursuing this approach. This approach was canvassed during the inquiry into this legislation. It was canvassed widely with a number of the witnesses who appeared. I highlighted during my contribution on the second reading of the bill that the Urban Development Institute of Australia, when asked about the proposed amendments that I have just moved on behalf of the opposition, said that it was a pragmatic suggestion. It said:

... that is a pragmatic suggestion. In relation to the certainty question you asked me before, that is what is confronted by developers—how and when are things actually going to be done? Whatever brings around greater certainty for purchasers of those properties that all the utilities are actually there and are available and can be handed over to them and the greater that certainty is, the better it will be.

This amendment increases the certainty that all of those utilities, all of those services, will be there. In particular, the fibre service will be there for them rather than waiting until a last-resort provision is triggered and NBN Co. eventually gets around to rolling it out up and down their street.

One of the businesses in this sector, OptiComm, when asked about the proposed amendment, told the Senate inquiry that it would provide advantages. OptiComm said:

... there would be some advantages in what you are saying to what is currently proposed. That allows diversity in the greenfield. As I have said, we have been successful. Not only do we offer broadband and voice but we offer a number of other services that some developers find attractive. It would still allow them to do that and allow them to keep that network operating through companies like ourselves or allows them
the offer to transfer that ownership to NBN Co. I think that is what you are suggesting. We would never love to build a network and see it go to someone else, but I think the concept is better than where we stand today.

This is one of the existing developers going to greenfields sites, to new developments, laying out networks there and, as part of their business model, selling on a retail product, as well as having to comply with provisions which make that available elsewhere.

The amendments we are considering now do not impact on the retail side of things. They would see Opticom sell that service, that network, to NBN Co. but utilise their expertise, their skills and their capacity for competitive delivery of this fibre and utilise it in a way that will actually allow NBN Co. to hopefully access fibre laid in greenfields developments in the fastest possible way at the lowest possible cost. In relation to these greenfields developments that should surely be exactly what we all want to see.

TransACT, a large provider in the ACT of fibre to greenfields developments, equally indicated their support for this amendment and the approach it takes. They commented that a situation where different parties are responsible for installing a fibre network does not necessarily provide the best outcome. Essentially, TransACT said, ‘We believe that where the developer puts pit and pipe into the development creates a situation where we have a tripartite type arrangement. You have the developer putting in pit and pipe. You have a fibre operator coming in subsequent to that. What we typically provide to the developments is a turnkey solution. We deploy the fibre and the pit and the pipe all together to the developer. We believe that having a situation where it is pip and pipe only is not necessarily the best outcome overall.’

So TransACT believe that the best outcome overall is to have the pits and the pipes built by the same person who lays the fibre and to provide a complete solution to developers in greenfields sites. It sounds like a logical approach. They indicated their support for this amendment as a good way of ensuring that you have that complete package provided. You get maximum efficiency from doing so and in this scenario the taxpayer gets maximum efficiency from doing so.

I will shortly move subsequent amendments that do go to the potential for retail service provision by these companies. The amendments look at the opportunities for these companies to maintain existing business models that see them not just build the networks but provide a retail service as well. However, those are separate amendments. This amendment is really to do with and focused very much on the actual building of the network. We believe that it provides good strong advantages to the operation of this bill. We believe that, rather than allowing this bill to end up having the effect of destroying many companies that currently roll out fibre in greenfields spaces, this would in fact enhance the opportunity for them to do so and, hopefully, potentially improve the outcomes for the NBN as a result of it.

Senator RONALDSON (Victoria) (18:03): I want to talk about the matters that Senator Birmingham has raised today in relation to the building of the network. I want to compliment him on this particular policy initiative of his and his desire not to see destroyed the many companies that are having some input into that.

I want to read the following quote:

I trust that the union executive will have the resolve to stare down those associated within the Labor Party who say, ‘No, keep it in house. Give it to our mate, Tim Lee, who is the general manager of Fair Work Australia and a known
associate of Julia Gillard, who deals with investigations into Fair Work Australia.'

That was a matter that was given today by Michael Smith on 2UE. It was an editorial—

**Senator Conroy:** I rise on a point of order concerning relevance. What does Fair Work Australia have to do with the fibre bill? I ask you to bring the senator to the topic at hand.

**The TEMPORARY CHAIRMAN (Senator Moore) (18:04):** We have a tradition of letting the debate run fairly widely in this area. We will continue and I will watch the process.

**Senator RONALDSON:** I am just reading from an editorial on Craig Thomson on Radio 2UE today. In relation to that matter—

**Senator Conroy:** Point of order. Reading out an editorial about Craig Thomson is not relevant even in the broadest of senses to a bill about fibre to the home deployments on greenfields sites. It could not possibly be within a stretch.

**Senator Birmingham:** On the point of order, Senator Conroy has not even heard the quote from the editorial. In fact, Senator Conroy did not even let a word of whatever it is Senator Ronaldson is going to quote from be uttered before he determined in his mind that it was not relevant to the debate. There is absolutely no point of order.

**The TEMPORARY CHAIRMAN:** Senator Ronaldson, I will let you continue and you can bring it back to make it relevant to the debate.

**Senator RONALDSON:** Thank you, and I will. But I will just repeat the comment: 'Give it to our mate, Tim Lee, who is the general manager of Fair Work Australia and a known associate of Julia Gillard, who deals with investigations in Fair Work Australia.'

That was a matter raised by Michael Smith today. He said: 'I trust that the union executive will have the resolve to stare down those associated within the Labor Party who say, 'No, keep it in house.'

**Senator Conroy:** Point of order concerning relevance. Can Michael Smith on 2UE talking about Fair Work Australia have anything to do with this bill. I ask you to bring the senator back to debating the bill. It will be a rarity for him to make a policy contribution in this place. Now that he is the high-powered shadow minister for tourism there was a hope that he could break his duck.

**The TEMPORARY CHAIRMAN:** Thank you, we are not debating the issue. Senator Ronaldson I draw your attention to the point. I have told you I will be watching what you are doing and you have repeated the same point. Can we get back to the issues around Telstra.

**Senator RONALDSON:** The minister talked about policy contributions. I would remind him that some two months ago a very substantial policy contribution was put forward by me in this house in relation to indexation of the DFRDB. The party which voted down the DFRDB Fair Indexation Bill was the Australian Labor Party. Lots of policy contributions have been made by me and this side. But if the minister does not believe that is relevant, I will leave the matter there.

**Senator BIRMINGHAM** (South Australia) (18:14): I am hoping that the minister will deign to respond to these amendments and will outline to the Senate his view on this matter. If I boil it all down very briefly, our concern and the concern of many businesses operating in this space is that, passed in its current form, the government's legislation will simply see a number of businesses go to the wall, unable to provide their type of service to developers...
because you are setting up NBN Co. as the default provider of fibre services in greenfield sites. The difference, you will know, Minister, is that today Telstra's default requirement is to lay copper. There is at least a value add for developers to think about by having fibre providers come in. There is a value add for the fibre providers as well because they are able to try to sell services through those developments.

Your proposal is that NBN Co. will be the fibre provider. What is the value add for a developer to get anybody else in to do it aside from it happening a little quicker? There is no value add. The value for the developer is to leave it for NBN Co. to deliver the fibre because they get it cheaper. If the minister can demonstrate that somehow they will not get it cheaper under his default provision then that would be a great illumination for the chamber. I doubt very much that he will be able to demonstrate to us that they will get it cheaper through an existing competitive greenfield operator. The government have already sent many other businesses to the wall when they have interfered in market spaces—and it is not your fault, Minister; they were not in your policy area—particularly home insulation. They provided jobs, opportunities, good services and good workmanship to their clients but they have gone to the wall because this government's judgment is flawed on matters of policy and on how they should involve themselves in the operations of business. There is a price to pay for their errors of judgment—people lose money, people lose businesses, people lose jobs and Australia is worse off as a result.

Passed unfettered this bill will see those who lay fibre in greenfield sites lose parts of their market—potentially lose all of their market. In the process we will see a contraction of competition in that space and an enhancement of the NBN, which is already one giant monopoly. We will see a loss of private investment, of private jobs and private businesses. For years businesses have done the innovation and the hard yards, developing their own businesses model which allows them to lay fibre in a competitive way in greenfield sites. They have provided a good service to developers and purchasers alike.

The government are going to pull the rug out from under them and provide a default-free service that will ensure there is no business for the private operators and it will fall back to you new government monopoly, your 100 per cent government own, 100 per cent debt funded and 100 per cent monopolistic enterprise, the NBN Co.

You did not subject the NBN Co. to a cost-benefit analysis. Minister, I noted in your second reading speech that you wondered why on earth I would want to see it go to the Productivity Commission. I would think they could ask better questions or to a better analysis of the NBN Co.

_Senator Conroy interjecting_

**Senator BIRMINGHAM:** I am flattered by your questions, Minister, but the difference between the minister sitting over there, the government he represents and this opposition is that we do not think all wisdom resides among us. We do not believe that we simply know best. You do. It is the minister sitting at the table who, when his $4.7 billion fibre to the node proposal fell over, when he could not manage to get tenderers to meet the requirements for each and could not manage to get that much vaunted proposal, his key policy for the 2007 election of the ground—

_Senator Conroy:_ A very popular one!
Senator BIRMINGHAM: A very popular one that you couldn't even deliver! So a very popular policy that is another demonstration of the flawed judgement of your government and of the flawed policymaking of your government! You spent millions of dollars in attempting to deliver that policy, on the processes of going out to tender, and in the end it fell over. So what did you do? Well the then Prime Minister, Mr Rudd, said, 'I've got a plane trip. Come and talk to me about this disaster of the fibre to the node policy. Come and talk to me about it.' So you hopped on a plane with Mr Rudd and you pulled out an envelope like this, which somebody has helpfully left here sitting on the desk next to me, and you said, 'Well, double or nothing doesn't quite work on this. Double or nothing of $4.7 billion doesn't work. But why don't we just shift the decimal point across one? Why don't we just blow it all and put it all on fibre to the premise instead?' There was no decent study of it, there was no decent analysis of it and no clear argument as to why this was the best, most cost-effective, most efficient proposal to provide fibre broadband in the most cost-effective way to all Australians. There was no rigour and no analysis and no real scrutiny of it, and you have ducked and dodged and avoided any effective scrutiny of it ever since.

If you had such confidence in this proposal that you are putting forward, Minister, you would have accepted the opposition's call for a cost-benefit analysis a long time ago. For all of the millions of dollars that you have spent on reports, studies and getting this thing off the ground, it would have been a pittance along the way to say, 'Do you know what? I take up that challenge and I will subject it to a cost-benefit analysis. I take it up because I have confidence that the cost-benefit analysis will come down on my side of the ledger.' But you do not have that confidence, Minister, and that is why you have not taken up the challenge that the opposition has reiterated again and again to you in this regard.

Most of the significant legislation to allow you to create your $50 billion debt funded monopoly has passed through this place, but this is an important piece of legislation that deals with the niche part of the proposal. It is an important niche part, the part that relates to greenfield sites, to new developments. And, of course, because it is a niche part it has niche impacts. But to the businesses who are concerned and will be affected they are not niche impacts; they are real impacts. To the people who have invested money in building up those businesses, they are not niche impacts; they are real impacts. And you are not proposing that you are going to come along to those businesses and pay them billions of dollars, like you are to Telstra or to Optus to migrate customers across and to compensate them for the loss of their cable networks. No, you are not proposing any compensation for these businesses. You are just changing the ground rules for them; that is what you are doing. So you are changing the ground rules for these businesses and if the new business model of the NBN does not work for them it is too bad, too sad—as is the attitude of you and your government. What we will see instead is a situation where their businesses are threatened and the jobs of those businesses are threatened. Ultimately, it will be a combination of Australians, customers, consumers, people purchasing the properties in question, developers and those involved in the development industry and taxpayers who will cop the impact. The taxpayers will cop it because your stripping of competitiveness out of this sector will see prices go up and we will see the NBN Co. as a giant monopoly simply become a giant, fat, sluggish monopoly, as all monopolies
ultimately do. We will see developers lose out because they will not have choice, because eventually the choice will just not be there. The developers just will not have the choice of who to go to.

Senator Conroy: What's it like having amnesia?

Senator BIRMINGHAM: Minister, you want to talk about amnesia? Honestly! Look at the disasters that you and your entire government run away from. Day after day after day you run away from these disasters. I talked about home insulation and we can go to many other places or we can just rehash the fact that you were the one who developed a policy that you could never get off the ground and took to the 2007 election and, to get yourself out of trouble on that, you simply had to spend not just a little bit more but around $45 billion or $46 billion more, when it is all tallied up, to manage to get your new policy off the ground. That is a remarkable feat, Minister, something that I am sure future taxpayers will look back on and shake their head in wonderment at how a minister got away with such a tactical manoeuvre. I congratulate you for the tactics there, the tactics of getting a policy so wrong but being able to convince the Prime Minister of the day to go along with you on something even bigger, even grander and even less proven. It is a remarkable accomplishment in a political sense but a terrible accomplishment in a policy sense and in a budgetary sense for Australia.

As I was saying, there will be losers under this bill if it is allowed to pass. Among the losers will be the taxpayers, who will be paying more, and the developers, who will lose choice. Householders and others will also be among the losers, who will find that they are waiting around because there is not the competitive tension, the competitive dynamism, within the industry.

Senator Conroy: Would you like to come with me to the opening of the first brand-new fibre-to-the-home areas? Would you like to come?

The ACTING DEPUTY PRESIDENT (Senator Moore): Order! Minister, you will have your chance.

Senator BIRMINGHAM: I am not suggesting at all, Minister, that NBN Co. will not manage to build it to some people. It is a question of whether that is the best way to do it. You have this blinkered approach that NBN Co. seems to be the only way. We believe that there is a better way especially with these greenfield sites and that for these greenfield sites you can maintain a level of competitive tension in the construction approach. That is all this amendment seeks to do, but it is important because it will preserve those businesses who have gone out there and done the things that you used to highlight and praise. Minister, you used to point to some of these businesses as shining people who were delivering the type of technology that you are encouraging everyone to embrace. Yet, with this bill you will go down as the minister who pushed those businesses out of business as a result of the freebie that you are offering everyone, ultimately, with the NBN Co.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (18:22): The government does not agree with the opposition's dissenting report on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011 and voted against the opposition's amendments in the House. The opposition is again proposing similar amendments, and the government will be voting against them
again for the same reasons we outlined in the other place.

The amendments basically propose that NBN Co. participate in a scheme by which it buys back fibre infrastructure randomly installed by developers and relieves other greenfield providers of operational requirements applying to NBN Co. knowing that they offer a layer 2 bit stream service on a wholesale-only basis. That is where it goes to the undermining of the economics of NBN Co. But let me deal with a couple of points that Senator Birmingham made. He suggests that we are forcing people to use NBN Co. This is not the case. We are simply the provider of last resort—exactly the same as Telstra are today. Telstra are the provider of last resort. Obviously, telecommunications being a utility, you want to ensure that everybody gets access. So NBN Co. is replacing Telstra as the provider of last resort. The amnesia of those opposite is simply that they have forgotten that they privatised a vertically integrated monopoly. They created this monstrosity, they created this situation where Australians have been getting slower broadband and more expensive broadband than other countries around the world because they privatised their vertically integrated monopoly. Then they keep trying to pretend that a wholesale-only monopoly is a bigger, more evil monopoly than a vertically integrated retail-wholesale company that, together, discriminates against every other telecommunications company in the country on the basis of favouritism for its own retail company.

You want to talk about infrastructure competition, suddenly clutching to your bosom infrastructure competition, when you privatised a vertically integrated monopoly that eradicated virtually all other infrastructure competition. Let's ask one person who might know something about infrastructure competition in this country. Let's go to Paul O'Sullivan the chief executive of Optus, who said recently in a press conference: 'I can tell you about infrastructure competition. My company lost $5 billion at the hands of Telstra.' And what did the chief executive of Telstra say in a book he wrote a few years later about infrastructure competition when he left the country. He was an American executive—not Mr Trujillo, you may have guessed. A previous American executive wrote in his book of his time at Telstra, 'We were prepared to lose $4 billion'—this is back in the 1990s, so think back, $4 billion in the 1990s—'just to protect future revenue streams of over $20 billion that we think Telstra might make.' Telstra's chief executive fessed up. They were prepared to lose $4 billion at the time to put Optus out of business; $5 billion of losses for Optus Vision sold to SingTel for a dollar. That is what infrastructure competition, now clutched to their bosom, delivered to this country: a collapse in infrastructure competition.

Do you know how many out of the 5,000 exchanges around Australia, many of them in regional Victoria, have got a competitive deslam in them—that is the competitive mechanism you need! Five hundred out of 5,000 have got another company's infrastructure inside their exchanges after 10 years. It opened up recently, you might be surprised to know, with the threat of entry of NBN and the change in the level playing field, or the unlevel playing field. So there are a few more that have opened up recently. Five hundred out of 5,000 infrastructure competition, courtesy of those opposite. They privatised the ugly 800-pound gorilla into the marketplace with no real powers for the ACCC. Then, to fatten up the cow for the sell-off, they would not put in place any serious regulation of it at all. So those opposite who want to pretend they are
interested in competition, who want to pretend they are interested in the battler, have got a track record that they would to just completely wipe from their mind.

I would urge senators not to be fooled by the silken words of Senator Birmingham, who talks down his own capacity at the expense of the Productivity Commission. As to the withering exchanges at Senate Estimates, I hope you do come along to a few of those Senator Xenophon. Occasionally he pops in there—I mentioned you there Senator Xenophon—and make a positive contribution. Senator Birmingham's silken tongue is always at Senate Estimates. You should come along, it's good fun.

Senator XENOPHON (South Australia) (18:27): The minister does not need to mention me. I do not need to feel his love.

Senator Conroy: I still love you, even though no one else would be interested in talking to you. I still love you.

Senator XENOPHON: Sarcasm is the lowest form of wit. I agree with the minister, in what he said, that Telstra was an 800-pound gorilla. The way that Telstra was privatised did not lend itself to competition. In fact, we have a vertically integrated monopoly that internationally was acknowledged as being bad for competition and bad for consumers. That is why I genuinely commend the minister for the work that he did to structurally separate Telstra. The principle of it was a good one. But we do not want to replace the 800-pound gorilla with another gorilla—maybe not 800 pounds, but maybe 400 or 500 pounds in the form of NBN. That is my concern.

My question to the minister in respect of the amendment moved by Senator Birmingham is this: is it the case that under the current bill the NBN will effectively become the provider of first resort because the installation of fibre at greenfield sites will be done by NBN at no cost to the developer but there will be a cost to the taxpayer? The opposition's amendment, as I understand it, and I invite Senator Birmingham to disabuse me this if I am wrong, is that it will provide for some competitive tension in relation to the deployment of fibre at those greenfield sites. The minister knows where I stand on this. He did the right thing to structurally separate Telstra. It was a mess. It was not privatised in a way that lent itself to proper competition, to a lower price for consumers or to technological development that ensured we had the telecommunications system that Australians deserve. My concern is that this particular amendment might go some way to deal with what, on the face of it, appears to be a problem: that NBN will, in effect, be a provider of first resort at these greenfield sites. That is a legitimate question. The minister knows that I am not asking this from a hostile point of view but am genuinely concerned about the small businesses that could be affected by this.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (18:30): Senator Xenophon, I absolutely accept you are asking in a genuine sense. You have shown courage in backing the legislation and in rigorously pursuing the competitive angles. I am a little disappointed that you have so little faith in your own amendments, many of which were accepted and supported. You talked about being worried about the 400-pound gorilla. The 400-pound gorilla is regulated by your amendments which were robust, very pro competitive and hotly debated in this chamber. The 400-pound gorilla is regulated properly.
We have never made any apology for the prospect that we are building a wholesale-only monopoly—a fibre-to-the-home network. We are not giving it away for free. NBN Co. have to earn a return. They are not the provider of first resort; they are the provider of last resort. We need to have a provider of last resort or we will end up with hundreds of thousands of homes not connected with a phone system. So we have to have a provider of last resort. That is all we are.

NBN Co. must get a return on its investment. It is not providing anything for free. It has to get a return on its investment. That is its mandate. You have looked through many documents on this. You have discussed this at length, both here and in many other places. We are the provider of last resort which we must mandate; otherwise we will end up with hundreds of thousands of new homes without any communications infrastructure.

Senator XENOPHON (South Australia) (18:32): I am grateful to the minister for his answer. If there were an alternative which says, 'Of course, if there is a greenfield site, it needs to be ready to be connected to the NBN and needs to be fibre-deployment ready,' we need that. I do not think there is any question about that. I do not think the opposition is saying anything to the contrary. In terms of that connection to the home at greenfield sites, what is wrong with allowing there to be some competitive tension and some ability for small and medium businesses to compete for that connection? Then, in the absence of that competition, NBN Co. would provide that. So long as there are objective and rigorous standards in relation to this, why can't there be an opportunity to allow some competitive tension in that process?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (18:33): The legislation does not require developers to approach NBN Co. It sets out the standards by which it has to be built. I am sure you would agree, and I think even Senator Birmingham would agree with this aspect, although one of his amendments goes deliberately against this. We have to have a system that is able to be interlinked, so we have to set the technical standard. It would be like saying to everybody, 'Just build your own railway network to all the different places.' We would have little islands with their own rail network, with different rail gauges, different rules and all those sorts of things. It would be completely different. Actually someone did that; it was called Australia. We have now connected rail to South Australia from Victoria and we now do not have to, I think, change the trains onto new tracks anymore. That is the modern day equivalent of what those opposite are seeking to do. They are seeking to change the standards by which people are building by allowing them to offer layer 3 services. That is what this amendment seeks to do.

Most importantly it comes down to cherry-picking. If you allow developers to pick and choose which ones they want, they will go where they can make the most money and they will make NBN Co. pick up the tab for all of the areas in regional and rural Australia that they do not want to build to. They will just cherry-pick the big housing estates around metropolitan areas and they will leave the rest to the taxpayer to pick up the tab. The revenue will go to them for the cheaper installations and NBN Co. will be left to pick up the tab for the more expensive installations with the poorer customers. That
is where it really goes down to destroying the economics of the NBN.

Senator Birmingham can pretend that is not what he is doing, but that is exactly what he is doing. He will allow them to cherry-pick the most expensive, best, biggest areas where they can make the most money. They will ignore regional and rural Australia. We all know that no-one is interested in providing fibre to the home in regional and rural Australia. They are just interested in cherry-picking big housing estates in Sydney, Melbourne, Adelaide et cetera. That is what this amendment would allow to happen. It would fundamentally undermine the economics of NBN Co.

Senator BIRMINGHAM (South Australia) (18:35): Minister, there is a remarkable inconsistency in what you say and in what you argue. Do you stand by the statements you have made previously? On 9 December last year you said:

It has been a consistent feature of the Government’s policy in new developments that there should be room for competing providers. This continues to be the case.

Developers will be able to source fibre from competing fibre providers if they wish. Providers can compete to provide infrastructure in new developments, for example, by offering more tailored solutions to developers or more expeditious delivery.

Do you stand by that and, if you do, isn't that somehow allowing the type of cherry-picking you are suggesting, in that it will be only the easier and cheaper ones delivered? The ones where there are better returns available will see developers and providers go in and provide the fibre services in those greenfield sites. Isn't that just what you were railing against? Yet that is what you said would be the case and is what in other places you and the department have indicated is what this legislation provides for.

In addition to responding on whether you still think there should be room for competing providers, which is all the opposition is attempting to facilitate through these amendments, can you make it equally clear—and I will put this as simply as possible—whether it will be cheaper for developers to use the provider of last resort that is NBN Co. to get fibre laid than it will be for them to use anybody else? Will it be cheaper for them to do that than to go to anybody else? It is a simple question and would demonstrate whether your belief that there will still be some competing market and some room for other providers is the case, or whether, as we and many others contend, you are setting up a system where the provider of last resort becomes the default provider because it is going to be significantly cheaper for developers to use it and it alone.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (18:38): Senator Birmingham likes to quote selectively. The capacity for someone to compete with NBN Co. in fibre is there now. NBN Co. itself conducted a tender. For people who have not followed this debate it actually had a tender. It had reached the view that it needed to go with one national supplier because of capacity issues. So NBN held a tender because NBN itself does not have the capacity to do these installations. It tendered, and Fujitsu got the contract.

On your specific question, I have no idea what the business models and pricing of all the other companies are. I am not in a position to answer your question, because I do not know what the business models and offers from those other companies are.
Senator BIRMINGHAM (South Australia) (18:39): I will put it a different way then. What will NBN Co. charge as the provider of last resort?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (18:39): I think the final agreement is pretty much the same as that which Telstra used to charge for installation. Telstra did not charge developers anything to install—it is what still happens today. Telstra does not charge anything to provide the copper into the home. It makes its money from the usage of the product. It may not be exactly the same—I have not seen all the final documents on this because there is still lengthy discussion and negotiation—but Telstra itself used to provide all of the connections. The developers would open up their pits and Telstra would run the copper in and connect the phones. I am happy to provide to you any further information that may be available.

Developers can source fibre from competing fibre providers if they want. Other providers can compete to provide infrastructure in new developments—for example, by offering bespoke solutions to developers or more expeditious delivery. NBN Co.'s role in new developments reflects its role in rolling out the NBN nationally. Where NBN Co. provides fibre it will recover the cost on a national basis and over a longer time horizon, just as Telstra has done historically with its copper network. It is up to other providers as to how they charge and recover their costs. If alternative providers want to compete with NBN Co. they are welcome to do so, but it is on the understanding that they have the resources and capacity to do so.

I am not sure there is much I am going to be able to add to that, no matter how many times or ways you rephrase the question, Senator Birmingham.

Senator BIRMINGHAM (South Australia) (18:41): Grudgingly, the minister found a way to at least sort of answer the question. He said that NBN Co. would provide and lay the fibre, but would recover the costs on a national basis over a longer time horizon. Private providers providing the services would not be able to do that; they would have to recover their costs by charging the developer, which of course would be put into the costs of the land that is sold.

Senator Conroy: What's the cost? Come on!

Senator BIRMINGHAM: Minister, you said the very nice words that you could not talk about the business models of—

Senator Conroy: I'm not talking about business model, I'm saying: what is the actual cost of opening up pits and pipes? Come on, you've got to know that—you're an expert on this.

Senator BIRMINGHAM: Minister, you are not going to catch me on that, because, while you have tried to proclaim me as an expert on things, I made the point very clearly before that I do not propose or pretend that we are experts on everything. I can, if you want. I can quote some of the evidence received by the Joint Standing Committee on the National Broadband Network about the costs of developing these things, of installing the fibre and so on, if you want. We can go through the submission of Greenfield Fibre Operators of Australia, which stated that:

NBN Co Agreements with Developers, who have already applied for 133,000 new lot connections in Greenfield developments since 1 January 2011, evidences that the cost of each connection is
currently averaging over $3000 per lot (excluding any back haul construction costs).

Current prices for GFOA networks that equal or exceed the current functional performance of NBN Co networks are up to $1500 per lot (excluding any back haul construction costs). FTA TV and Pay TV may add $300 per lot.

That was from the submission made by GFOA to the committee's inquiry into this legislation. If you want to talk about costs, TransACT said, according to the committee's dissenting report, that:

... the approximate cost depending on choice of provider and specification used, of installation of a fibre network per premise is up to $3500. TransACT stated:

The ballpark type numbers indicate that pit and pipe is somewhere in the order of $500 to $1,000 a premise and a turnkey solution is anywhere up to $3,500 a premise depending on who deploys it and what the specification is.

They are fairly valid points, but none of them get away from the reality of what you have just said and made quite clear to the chamber in this debate—that is, that the first of two models that will be available to developers is that they can use a private provider to have fibre laid. Of course, that private provider, as a private business provider, is going to have to recoup its costs somehow. The only place it can recoup them under your model is to charge the developer, which costs the developer more. Or, the provider can let NBN Co. do it and recoup the costs 'on a national basis', to use your words, over a longer time horizon, charging the developer nothing.

**Senator Conroy:** What did Telstra charge the developer?

**Senator BIRMINGHAM:** Minister, I cannot believe that you, of all people, who love to come in here and give these lectures to everybody else, want to try to draw this comparison between Telstra laying a copper wire and developers getting a private business provider to lay fibre. I cannot believe you want to draw that comparison. This is a changed dynamic. This is a different approach that you are pushing through, and that is your right. But you are now talking about a situation whereby it is not Telstra laying copper against a private provider laying fibre. It is not Telstra offering copper for free against a private provider offering fibre at a cost. It is NBN Co. offering fibre for free against a private provider offering fibre at a cost. It is the same product, but one person—your government owned monopoly—is offering it for free. This is a fairly emphatic difference. You cannot keep drawing this comparison, making this argument that it is the same as with Telstra, because we are looking at a different situation here.

We are looking at businesses that have evolved over a period of time, businesses that have filled a space in the market that was not being filled. By changing the ground rules, as you are doing, you are going to transparently disadvantage those businesses. Your notion of provider of last resort is very clearly a flawed notion. You are very clearly setting up a situation whereby NBN Co. becomes the default provider. It will become the default provider because it will be hundreds if not thousands of dollars cheaper to use it. Per premise, developers will save hundreds or thousands of dollars to go with NBN Co. instead.

For most developers operating in a market where margins are tight, particularly right now, there is not a lot out there at present—not a lot of money to be made on residential or other property developments. Every dollar they can get counts. Every dollar on the margin is important. They are going to take the cheapest option. I cannot believe that you will not recognise and accept that. You see this concern of the opposition's as illegitimate and reject out of hand this
sensible amendment of the opposition's that seeks to simply preserve the right, the role and the capacity of these private providers to keep doing the business they are currently doing: laying fibre in greenfields developments and ensuring that in those greenfields developments there is competitive tension, as Senator Xenophon acknowledged, between the potential providers of fibre to those developments. It baffles me that you reject that.

But I am pleased that at least you have acknowledged, even if you will not put it in these words, that there will be a very distinct cost differential. People can go with the private provider and pay, or they can go with NBN Co. and not have to pay. That is the situation that will confront developers. In the overwhelming majority of cases one would expect that anybody who is given what is a fairly rational economic choice—do you pay for something or do you get it for free?—will go with 'get it for free' on almost any day of the week.

That is what will happen. You cannot continue to mount this argument that what is happening with these fibre providers is somehow comparable to where we are at with Telstra and copper. I am not aware that anybody is out there providing competition in the marketplace over who is laying copper in the ground. I am aware that there are plenty of businesses providing competition over who is laying fibre in the ground, and I am aware that those businesses fear this legislation and fear what it will do to their future.

Senator LUDLAM (Western Australia) (18:50): I rise to add some brief comments to those I made during the second reading debate on this bill, the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. I do not think these amendments—opposition amendments (2) to (11)—are illegitimate. Unlike with many of the amendments and proposals the coalition have served up during the course of this debate, I do not think this is an attempt at wanton sabotage. At least that is a relief; maybe we have moved on from that stage. I think the coalition, and all of us, are grappling with the fact that it is actually very difficult to compete in an open market with a utility provider that will be leveraging gigantic economies of scale.

The issue I touched on in the second reading debate—and I will address some of these questions to Senator Birmingham—is the issue of exactly how these amendments will work. I am speaking in particular about clause 11, which I have had a bit of time to think about as I have been listening to the debate. My main questions are how it will work in terms of pricing if NBN Co. is being forced to purchase an asset that has been put into the ground by a third party as well as the question of standards. I do think this is a valiant attempt to grapple with the very difficult issue of what happens when private fibre providers, who have been quite happily going about their business in cities like Canberra and in other places around the country and putting in the infrastructure, suddenly find that a national monopoly utility rolls over the horizon, with enormous economies of scale. It is going to be very difficult to compete. That is why I have some sympathy for these amendments. However, the problem I have is that it appears to me that the amendments would simply make things worse—although I note that some of the providers have offered conditional support to what the member for Wentworth and Senator Birmingham are attempting to do. My first question to Senator Birmingham goes to the heart of the promotion of competition. Perhaps the outcome would be cheaper, more efficient and of a higher technical standard if we just let the larger
providers do their work. Competition may not in fact be appropriate. My question is about amendment (11) and subclauses 372CA(8)(a) and (b). The way that this amendment will operate in practice is that a third-party provider will put a network into the ground and then NBN Co. is going to be forced to buy it. How are the parties going to come to an agreement over price? Perhaps Senator Birmingham would care to address that issue and maybe flesh out a little bit how these changes, particularly proposed subclauses (6) through (8), would function in practice. I do not understand how you could negotiate a contract and fair terms of a transaction under the kinds of clauses that the coalition have drafted here.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:53): I rise—

Senator Conroy: My favourite fibre-to-the-home-supporting National!

Senator NASH: I thought that might wake you up, Minister! I rise to ask a question of the minister. I have not been closely involved in the debate over this for a while now, but I could not help but come and join my colleague Senator Birmingham down here this evening. Telecommunications certainly has been an interest of mine for a very, very long time—since long before I came into this place, as the minister would well know. I do not understand how you could negotiate a contract and fair terms of a transaction under the kinds of clauses that the coalition have drafted here.

Senator Conroy: I recommend you visit Armidale!

Senator NASH: What actually got me interested to come down here was having recently been up in the seat of Lyne—and the whole issue of greenfields was raised with me very recently. Isn't it extraordinary that we see from this minister a complete mess and, not only that, attached to it a gigantic bucket of money? We will get, at another time in this place, to the discussion about the gigantic bucket of money, because, quite extraordinarily, it is just that—it is just a bucket of money. We will get, at another time in this place, to the discussion about the gigantic bucket of money, because, quite extraordinarily, it is just that—it is just a bucket of money. I am not sure that that is an entirely appropriate way to run the government's coffers. That is probably the greatest understatement I could use in this place.

I know that colleagues will understand completely when I say that the government's ability to manage the economy and to manage money is absolutely deplorable. We only have to look at the $198 billion of debt that the government has managed to rack up to ask: does the government even have the ability to deliver the NBN in any way, shape, form or capacity so that it looks like some kind of functional network? I am not sure that it does. While we seem to be inching ever closer to something—and I use 'inching' in the loosest sense, because it is probably a
lot less than inching—we seem to be getting to an end point of this giant bucket of money being spent on something that may well be superseded by something else very, very quickly. I am not sure that that makes sense either—that we are going down the road of spending tens of billions of dollars from a gigantically big bucket of money for something that may well be superseded in the very near future.

Senator Conroy: Oh, please, don't you do that! You know better than that!

Senator NASH: Call me a cynic. Call me a sceptic. I actually think that maybe that is not the best way forward. I will take that interjection from Senator Conroy saying that I know better than that. The minister is well aware of my involvement in this before I came to the Senate. Certainly at that time there were some views that were held by those of us who were looking into telco in the bush—

Senator Conroy: You wrote 'fibre to the home'. I stole your plan!

Senator NASH: Absolutely. Oh, you did steal my plan, did you? Thank you, Minister. Interestingly, I have the capacity to actually move with the times and embrace new things and new technologies—not be a dinosaur stuck in the past but be prepared to move forward with the times. I have come to the point where I am not entirely assured that picking one technology is the way to go.

Senator Conroy: Oh, that's sad. You're about to become a luddite!

Senator NASH: You may not like to hear this, Minister. You may not like to hear this at all, but I genuinely believe that. While we are on that subject, the thing that is so sad about this whole NBN process—and it is really sad—is that regional Australia has missed out. We still have no improvement, apart from in a couple of tiny pockets. Minister, you might be able to enlighten me in your answer about how many people in Armidale have now switched onto the NBN. I could be wrong—I could be underestimating things and doing you a great disservice—but I think it might be 15 people in Armidale who are now connected to the NBN. I shall look forward to your updating that and letting me know if I am indeed incorrect. I may well be. It may be more than 15 people out of a population of—I am not sure about Armidale; maybe it is 20,000 or 30,000. Minister, I am sure that you, having done the work up in the area, will be able to inform the chamber of exactly how many tens of thousands of people there are in Armidale, a place where I think 15 people have connected to the NBN. I am sure you will be able to enlighten me on that. Just to reiterate my earlier remarks, what I find really sad is that regional Australia has been left behind again. All we are getting from this government is talk, rhetoric and a whole lot of never-never. As I said, I give the minister credit for the little tiny pockets where the NBN has been connected. But, by and large, we are absolutely missing out. I say this in the context of the fact that if we had been in government the improvements to regional Australia would have been delivered.

Senator Conroy: Don't say OPEL.

Senator NASH: Minister, I am quite sure you would not like to direct me on what to say. It is funny but, under that, regional Australia would have had an improvement. Under the Labor government, regional Australia has not had an improvement. I am not a rocket scientist and perhaps I am a bit of a sceptic but, when I look at the whole scenario, I think, 'Under a coalition government regional Australia would be getting better telecommunications and currently under the Labor government regional Australia is not getting better telecommunications.' It seems like a bit of a
no-brainer to me. Despite all this talk and all of this rhetoric about regional Australia getting better services and better telecommunications from this NBN, there is virtually nothing there yet—and it has been years and years.

I am sure the minister will stand up and say, 'Oh, yes, but we are progressing and it is all going to this end point.' I can guarantee the chamber that the minister will take the opportunity to have a very eloquent spray at me personally, given my history with telecommunications.

Senator Conroy: I used to have too much respect for you to do that.

Senator NASH: Oh, Minister, that is too kind! I am sure it will arrive and I am quite happy to sit here and listen to it if it does because what I do as a senator for New South Wales on the coalition side of this chamber is try to embark on and be involved in things that are actually going to improve things in regional communities. That is what I do. That is what I stand for. That is why I am here. That is why many of my regional colleagues are here, from the National Party to my Liberal regional colleagues. We try to improve things in regional Australian communities. What we have from this NBN is no improvement for regional communities. What we have from this NBN is no improvement for regional communities. Maybe one day in 30 years I will stand here and eat my words and there will be this brand new nirvana of telecommunications having been delivered to the regions that at that point has not been superseded by another technology. Maybe I will, but I very much doubt it. I very much doubt it because it simply does not make sense.

While we are talking about regional Australia, something that is very interesting is the Australian Broadband Guarantee, which finished on 30 June. Whilst it is not necessarily related to this amendment, I will place on notice that I will have a discussion at some stage with the minister about the arrangements now that the ABG is finished and how that is all working, because it is as clear as mud. I will be having a discussion with the minister about how that works now and what a family moving out into a remote area that wants to hook up to satellite now has to cough up. It is not entirely clear. That is a discussion we will be having.

Senator Conroy: I suggest you seek a briefing before you do that.

Senator NASH: Thank you, Minister. I will take up the offer of a briefing. I appreciate that very much because I do not have your obvious expertise in this area and I would very much like to know exactly how that is rolling out.

It is interesting, too, when you look at the delivery under the NBN that is going to happen out in those regions. Is there a structural separation now? I would suspect there is not out in those remote areas. Perhaps, Minister, if you would be so kind, we could include that in the briefing. Maybe I could ask of officials at a briefing exactly how that works, because it looks very much to me like a structural separation has not happened out in the more remote areas. As I said, I have not been very involved in this lately and I could be completely wrong, but wouldn't it be an absolute shame if, through all of this reinvention and this wonderful NBN, remote areas ended up exactly where they were to start with? I do not know if that is the case, so I do appreciate the minister's offer of a briefing, but it occurs to me that that would be a very bad place to end up if, indeed, that is the case. It may well not be.

The reason we have this amendment is to try to create some sensibility in this whole process. I appreciate the answers the minister gave Senator Birmingham before. The area I am interested in is the NBN as a provider of last resort. When we are looking at this
construction, as I understand it, where it is not going to be taken up by private companies the NBN is the provider of last resort. That actually looks a little bit similar to the old AWB provider of last resort before we deregulated the wheat industry, which was an extremely good measure that we no longer have, much to my sadness and that of my Nationals colleagues and many, many wheat growers out there across the country. My question is on the issue of the NBN as the provider of last resort. I am genuinely interested in: what triggers that, and what is the time frame from the trigger to when the NBN provides that?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (19:06): I would probably need some information that is not available in the chamber, but I am happy to provide that information for you, Senator Nash.

Senator LUDLAM (Western Australia) (19:06): I might just draw the attention of the chamber back to one or two of the questions that I put to Senator Birmingham. I have missed Senator Nash's contributions in these debates. Her contributions on tech matters were generally much more sensible and well researched than those of some of her colleagues, with the honourable exception of Senator Birmingham. I think there is a very important reason why NBN Co. has such a small customer base, and that is primarily that the network does not yet exist. That, I think, is what is suppressing its customer base at the moment. We are about to go into a volume rollout phase, and I do not think you will have to wait 30 years to come back in here—not necessarily to retract—but I do not think anything is coming down the pipeline any time soon that will match the kinds of speeds that will be provided when we can send this sort of bandwidth directly to people's premises. I think there is a very important role for this chamber and its various committees in accountability, in watchdogging this project and making sure that it does not go off the rails. But I also think that the main argument in essence has been won and we now need to just get on with the build.

The question that I put to Senator Birmingham before goes specifically to some of the amendments that he has proposed, particularly amendment (11), about exactly how commercial negotiations are supposed to take place when NBN Co. is effectively being compelled to acquire an asset from a third party.

Senator BIRMINGHAM (South Australia) (19:08): One of the things I really like about Senator Ludlam is that, compared to some of his colleagues in the Greens, he is an optimist. When I hear contributions from some of his colleagues in the Greens, especially in some of the climate change and environment debates that I also have carriage of in this place, I find myself leaving rather depressed, concerned that the world is going to come to an end, possibly as early as tomorrow morning.

Senator Ludlam: My glass is half full!

Senator BIRMINGHAM: Senator Ludlam has a glass-half-full approach to things and his optimism about the take-up rate and about how wonderful the NBN is going to be is an admirable thing. We have an argument that it might be misplaced optimism, but I respect the fact that Senator Ludlam brings that optimism into this place. I want to turn to his questions, but before I do—otherwise I will forget—I do find it remarkable that the minister could offer no answer to Senator Nash's questions at the end of her contribution—

Senator Conroy: Just a timing question.
Senator BIRMINGHAM: Yes, in particular her question of timing about when the provider of last resort trigger is triggered. When actually is it the case that a determination occurs that on this greenfields site fibre has not been laid and rolled out and so it is now up to NBN Co. to assume responsibility? There is a separate question which Senator Nash also asked which went to how long it will take NBN Co. to fulfil that responsibility. That may require separate advice, Minister, but I would have thought and hoped that you would be able to answer both of those questions during the conduct of this debate, because I think that is perfectly sensible and reasonable.

Senator Ludlam asked questions earlier and then repeated some of them about pricing and standards in relation to the amendments that the opposition are proposing. If I can tackle those—and he is right—this amendment sets up a situation where NBN Co. can be compelled to purchase the network off the developer. It is not a case of NBN Co. negotiating each individual purchase with each individual developer on those individual terms. It is in fact that, as proposed section 372CA(6) states:

The amount of the purchase payment must be in accordance with a scale of payments determined by the Minister for this subsection and published in the Gazette.

It then goes on in parts (7) and (8) in particular to outline how the minister determines the scale of payments. Part (8)(a) indicates that the minister must consider 'the typical costs of providing such networks or elements of such networks, including significant regional variations in costs'. That is an important point given the minister's allegations that this would enable cherry-picking of the cheapest places in which to do business. In fact, the minister would have in his power and at his discretion the capacity to indicate that, yes, it is more expensive to lay the fibre in some locations than in other locations. Part 8(b) states that the minister would take into account 'the costs that NBN Co. would have incurred had it undertaken to provide such networks itself', which again of course would provide for regional variations and the like, but they are of course explicitly provided for in part (a).

The really obvious area of competitive tension or opportunity here is that you would hope that the more this work occurs the more it is keeping NBN Co. and providers honest in terms of laying out the fibre in these developments. But of course the best argument here is that it ensures you get the best result for the developer. The developer and the people who purchase premises within the development get their fibre; they get it as fast as the developer can find somebody who can lay it and who can do so on terms that they find profitable enough to operate on according to the scale of payments that the minister has scheduled.

With this whole NBN construct we are in a world of regulated payments. I know that Senator Ludlam appreciates that. In terms of access to the network, payments are regulated. This is providing for an element of regulated payments at the construction point and the construction end. With regard to the standards that would be set—and I think this is an important point to make—we are attempting through these amendments to provide a greater level of independence from NBN Co. of what those standards are. We are attempting to ensure that there is some level of independence, and our amendments (5) and (9) identify the ACMA as having a role in setting the standards and doing so in consultation with relevant industry bodies and—yes, absolutely—at a standard that is compliant with what NBN Co. needs. But, by having the ACMA play a role, what we hope to get away from is where NBN Co.
demand a gold-plated system, where NBN Co. set any unreasonable level of standards for how it is done. Obviously, what we want are speeds that are required for the network. What we would expect are the standards to be correct. However, the minister seems to be quite happy to have a situation where NBN Co. can require such standards in these developments that would just render it utterly unprofitable for anybody else to provide the services, with not the slightest independent check on what it is that they demand or what it is that they want. We do not think that is reasonable. We think that, if you are going to have standards, obviously they need to meet the requirements and specifications of what NBN Co. need, but there needs to be—

Senator Conroy interjecting—

Senator BIRMINGHAM: Minister, either you can snipe away in the corner there or, occasionally, you could actually provide a constructive contribution. I have heard you speak in the committee stage to date and, more often than not, it has been to rehash the history of Telstra as a vertically integrated monopoly, to rehash the coalition’s policy position—to rehash everything. It has never been to argue the case for the bill that you have presented before this chamber. If you want to get into some detail and start arguing the case for your bill, then feel free to do so. But all you want to do is snipe from the bench over there, without providing any arguments or details of your own or anything substantive to refute the concerns. These are not just concerns the opposition has made up. Mr Turnbull and I did not just sit down in a corner, and say, ‘Geez, I wonder how we can invent some concern here.’ Senator Ludlam and Senator Xenophon, as well as the other members of the committee, heard evidence from concerned businesses. That evidence is reflected in the Senate committee inquiry and it is evidence that we have tried to act upon by developing these amendments.

So to return to Senator Ludlam’s question, we believe the approach we have laid out ensures there will be standards that meet the specifications that NBN Co. needs. They will be standards, however, with a level and a modicum of independent oversight that the ACMA will provide and they will be standards that are developed with industry consultation.

We believe the pricing can be set in a way that avoids the type of cherry-picking fears that the minister has been trying to create and that provides some level of certainty for businesses going in and that, most importantly, provides developers and households with the opportunity to ensure they can get the fibre laid in a timely manner.

I will finish by, again, reminding the minister of Senator Nash’s question about timeliness. Minister, perhaps it would really help this debate if you could actually tell us how long we would have to have no fibre laid in the pits and ducts before NBN Co. considered it was their responsibility to do so and, once they acknowledged that responsibility, how long it will take them to do so. Why don’t you try answering those two questions?

Senator LUDLAM (Western Australia) (19:18): While the minister collects his thoughts, I thank Senator Birmingham for his careful answer to my question. I do not propose to dwell here, but I want Senator Birmingham and the coalition to understand that I have not dismissed this amendment lightly. I genuinely do not think it will work and I do not understand how commercial negotiations can take place, if you can call them negotiations under the terms set out here.

In your proposed section 372CA(8)(b), you propose that, in drawing up this scale of
payments, the minister should ‘take into account the costs the NBN Co. would have incurred had it undertaken to provide such networks itself’. You have also been at pains to point out that, by definition, NBN Co. would have incurred much lower costs if it was providing such networks itself. It will be leveraging gigantic economies of scale, which is why this competition argument is such a vexed one. How is the minister meant to take that into account? And what happens in the event of a dispute, where the NBN Co. and a third party provider disagree on the price that the minister has set? I think this is a recipe for enormous disputation and I do not understand how it would work in practice.

Progress reported.

**ADJOURNMENT**

The PRESIDENT: Order! I propose the question:

That the Senate do now adjourn.

Neil, Mr Walter Rex

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (19:20): Tonight I rise as part of the adjournment debate to pay my respects to a man who could only be described as a true believer and a carrier of the light on the hill. Walter Rex Neil, known as Rex, dedicated his life to the labour movement. He was a man of unwavering commitment to representing working people.

I would also like to acknowledge that in the chamber tonight we have fellow senators from Tasmania: Senators Urquhart, Bilyk and Polley. I welcome their support tonight.

Rex was taken from us suddenly and unexpectedly so tonight, as part of my contribution, I wish to reflect on Rex’s achievements and commitments to the Labor Party and to the union movement. Only a matter of weeks ago hundreds of people, including family, friends, politicians, state and national union leaders and members of the Labor Party joined to pay their respects at the service for Rex, including the current RTBU Tasmanian State Secretary, Samantha Simonetis, who Rex had worked closely with over the past few years, and former National RTBU Secretary, Roger Jowett, who reflected on Rex’s life in his contribution at the service. It is a testament to the mark Rex had made and clearly showing the esteem in which Rex was held in right across the party and the union movement that so many people joined together to pay their respects to Rex Neil. I had the pleasure of meeting Rex nearly 30 years ago when I joined the Tasmanian branch of the Australian Labor Party.

Rex began his career on the railway in 1959 as a porter at Railton. Immediately upon commencing his position on the railway lines Rex become a member of the Australian Railways Union, the ARU. At that time Tasmania’s railway system was a strong and thriving government department with 3,000 employees, an urban railway system in Hobart, a premier intercity passenger service, and the Tasman Ltd and rail workshops at Invermay Road which could produce both locomotive and rolling stock. Whilst working on the railways Rex was promoted through the grades of shunter, station master and finally to train controller, working the train control boards in Launceston.

Rex's involvement in the railway union saw him represent railway workers in Tasmania for over 50 years, filling a huge number of positions with the ARU and the amalgamated Rail, Tram and Bus Union, the RTBU, at a state and national level. Rex was a passionate advocate for ARU members and rose to the position of Tasmanian branch secretary in 1974. He held this position until 1993 when he became assistant branch
secretary of the newly amalgamated Rail, Tram and Bus Union.

The creation of the RTBU came about as the part of the larger restructuring of the labour movement. The RTBU came into existence after an amalgamation of the Australian Railways Union, the Australian Federated Union of Locomotive Enginemen, the Australasian Tramway and Motor Omnibus Employees Association and the National Union of Railway Workers. Whilst this was a difficult and challenging time, Rex immediately saw the benefits of the amalgamation.

Whilst Rex was renowned as someone who was always straight to the point and made it clear where he stood, he possessed the finest qualities any union organiser could hope for: he was a terrific listener. Every worker Rex represented had a story to tell about their job and their workplace, and Rex made sure he was there to hear every story. The story of the modern railway worker is of someone that is called upon to work unsocial hours undertaking shift work as a single driver operating freight or as working as part of a small gang, but either way it is unusual to see many other workers. But Rex made it his business to ensure that he was accessible and that every member was able to talk with their union representative face to face. This often meant Rex worked unsociable hours as well to ensure that his union members were kept informed and had the opportunity to speak to their union representative. This commitment and care for his members highlighted the type of man Rex was; in fact, you could not have met a more genuine, caring and outstanding advocate for his members than Walter 'Rex' Neil.

During his time in the RTBU the rail industry faced many challenges, none bigger than in 1999 with the incoming American owners of the privatised TasRail. During the 20 years previous there had been rationalisation of the workforce which had seen the Tasmanian rail system privatised. Add to this the anti-union and anti-collective bargaining legislation and policies of the Howard government and the RTBU, like many unions, were facing a particularly difficult period. When the new American owners of TasRail took over in 1999 they had a well-established record of anti-unionism. These were dark and difficult days indeed. Some union activists were not rehired, rail workers were given the ultimatum of a job and an individual workplace agreement or nothing, which threw wages and conditions out the window, and meant the prospect of looking for a new job.

Rex continued his passion and commitment to the union movement through these dark years until what can be described as Rex Neil's proudest moment in his time contributing to railway unionism and railways in Tasmania, with the renationalisation of the Tasmanian rail system by the state government, followed by historical high levels of investment delivered by both the state and federal Labor governments which has seen the upgrading of infrastructure and rolling stock. A new single, enterprise wide collective agreement was implemented and ratified by members, with the union density in the industry now back to a healthy 70 per cent and still growing. These achievements are in no small part thanks to the role Rex played.

In speaking at Rex's service, former RTBU national secretary and colleague Roger Jowett summed up Rex fittingly when he said:

All of us in the RTBU and the wider labour movement have been enriched by his lifelong contribution. His life work is both testament to the foundations of collectivity and solidarity upon
which unions are built and it why we can proclaim: we are proud to be union.

And this rang true for Rex, who was a proud life member of the Australian Labor Party and held various positions in the party such as national and state conference delegate, administrative committee member, vice-president, president of the North Launceston branch and platform chair of the Community, Health and Transport Services Committee. Despite this, despite playing a enormous role in the Labor Party, it was always Rex's union members who came first. But Rex's commitment to the Labor Party could never be questioned and ran a very close second. Rex really was a genuine Labor man. One of his grandchildren recounted at the service that Rex said he didn't mind what his grandchildren did as long as they promised him two things: firstly, to support the Carlton Football Club—which I personally cannot agree with—and, secondly, to always vote Labor.

Whilst Rex was involved in numerous Labor campaigns, there are a couple that really stick in my mind which I will share tonight. Rex was heavily involved in the campaigns of former Tasmanian Labor state government minister and member for Bass, Jim Cox. Rex and Jim first met at a function where Jim was describing to Rex the difficulty of completing the dreaded job of getting all of his posters erected before the election. It was this first chat which started a long association between the two. Every election Jim and Rex would have this quiet chat and magically a few weeks out from the election hundreds of Jim Cox posters would suddenly appear. Party members also recall Rex's vital involvement in many campaigns through the use of his trusty van, and it was this trusty van which again demonstrated his tireless commitment to the labour movement. What other person would attach several posters on their van by attaching them with screws through the bodywork? Rex also used this trusty van in the 1996 Bass federal election campaign where Michelle O'Byrne defeated Warwick Smith. Rex took up the bus driving duties, ferrying campaign volunteers all over the electorate to go door knocking. And in a free moment of the campaign, Rex would drive the van around the block over and over, waiting for a park to open up in front of Warwick Smith's office so that he could park the van right out front, with Michelle O'Byrne's name all over the van whilst obscuring the view of Warwick's office and his name.

Rex also used his van to great effect in the 2007 'Your Rights At Work' campaign delivering posters all over Launceston. It was examples like these, and many others too numerous to mention, that made Rex a true believer of unwavering commitment to the labour movement. Whilst Rex was a quiet achiever there was no doubting his passion, commitment and dedication to his beloved ARU, RTBU and the Labor Party. He was truly a man who cared deeply about other people and he worked to improve the lives of those less fortunate. He was a true Labor warrior and someone who will be terribly missed, but will be remembered by the beautiful memories he has given us. Farewell Rex.

Freedom of Speech

Senator BERNARDI (South Australia) (19:30): I rise tonight to speak about something I believe should concern all Australians. It is, in my view, one of the fundamental underpinnings of our society and something that, if allowed to erode away, will lead to a wall of silence across our nation. I am talking about freedom of speech. The right to voice our opinions is under increasing attack by protection mechanisms that were put in place by well-meaning people, but I consider that those
mechanisms are now being abused, and I think it is getting worse.

Australians are becoming burdened by the weight of political correctness. It hovers over every word we say and increasingly it almost determines what people are allowed to think. Of course, no-one wants to cause unnecessary offence, but unless we can continue as individuals to advocate for freedom of speech and the right of others to express their opinions in the public sphere, however much we may disagree with those opinions, and if we cannot encourage Australians to speak their minds, our country will remain on a path I think we would do better to avoid.

There are a number of examples of this and they highlight what I will come to a bit later, which is the hypocrisy of those who use these laws and intimidatory tactics for their own ends, and it seems to be very much one-sided. Take the case of the art photographer who has been defended for taking photographs of pre-pubescent or adolescent children while they were naked. There were complaints about this and yet there were so many vigorous defenders saying it was artistic freedom. Contrast this with Sergio Redegalli, an artist with a studio in Newtown who painted a 'say no to burqas' mural on his own walls. Mr Redegalli had to defend his building from repeated attacks and had to defend himself against a complaint in one of the vilification tribunals, in which accusations of racial and religious vilification were made. What is amazing about this is that Mr Redegalli engaged a lawyer and a QC to defend his right to freedom of speech. Ultimately, the complainant was funded by legal aid and later withdrew their complaint. Mr Redegalli then sought compensation for the costs he had incurred. This was considered by the tribunal and rejected. When he said, 'No, I really think you should do this,' they said, 'Well, you now have to pay the costs of the

complainant resulting from your claim for costs.' So they added an additional $500 bill to Mr Redegalli's costs. This is simply preposterous. It is preposterous because someone has taken offence to a piece of art on a wall that was not gratuitous, or nasty, or rude or anything else. You might not agree with it but it was there. This man has been forced to incur thousands of dollars in costs while the other side was funded by legal aid, and then he has to pay for the tribunal's time for having asked for costs. That is just one example.

We also have a circumstance where a radio presenter, Mr Michael Smith of Radio 2UE, is being investigated under a complaint to ACMA for a comment he made on-air about the age of the wife of the Islamic Prophet Mohammed. His statement was simply that his wife was nine years old when they married and 11 years old when they consummated the marriage. This statement is incorrect, and I will get to that in a moment. It resulted in a complaint being made because, apparently, the statement was racist—I reject that in its entirety—and it asserted that Mohammed was a paedophile. It did nothing of the sort. It simply stated—incorrectly I might say—some tenets of the Koran. The significant Islamic text states that Mohammed 'wrote the marriage contract with his wife when he was six years old and consummated the marriage when she was nine.' That statement stands as it is and yet Michael Smith is now having to defend himself against a complaint for religious vilification and inciting hatred.

We also cannot forget the case of the two Christian pastors who were hauled before the courts and accused of breaching religious vilification laws simply for quoting the Koran. They were convicted of being hostile, demeaning and derogatory of all Muslim people. This was despite the fact that it was reported that the pastors encouraged people
to love Muslims even if they do not agree with their beliefs. I think that is a belief that most good people in this country embrace: love others and celebrate their diversity. You do not have to agree with them, but love them. Ultimately the verdict was overturned, five years later. They had been subjected to media ridicule and large financial costs.

Another journalist, Andrew Bolt, has been taken to court under a claimed breach of the Racial and Religious Tolerance Act for questioning why people who have a mixed racial background chose to identify as Aboriginal.

In the end it seems that under the burden of these stifling laws people are now prohibited, effectively, from questioning things, from quoting from particular books and from discussing matters of importance in our society. Effectively, these laws seek to silence free speech. They shut down legitimate opinion. It is no wonder that we are being cowed into silence if every time someone takes offence at something one person or another says people are hauled before the court for some type of vilification or discrimination.

Quite frankly, if someone says something I disagree with, no matter how offensive I find it, I consider it to be an engagement in the battle of ideas. It makes me wonder; if these laws are so essential for the smooth and harmonious running of our society, how did we survive and prosper and have such a harmonious society when we did not have them? How did our society not crumble without these sorts of restrictions on what we are allowed to say, when we could say it and in whose company we could say it. We are a nation that should be embracing this battle of ideas; we should not be seeking to shut them down. In saying that, I do not condone incitement to violence, racist comments or anything else like that, but they are now the slurs attached to any difference of opinion. It has got to a stage where expressing opinions shared by millions of ordinary Australians can lead to an individual being branded as racist or a bigot, or some other epithet which really has no place in debate. It has got to a stage where Australians are afraid to discuss and debate issues which may indeed have an impact on our country's future.

As I mentioned before, it seems that offence is clearly a one-way street. There are many examples to illustrate this. Christians are meant to accept the mockery of their faith, whether it is on TV, through art or anything else. Other recognised religions are expected to put up with it. They are deemed fair game and are pilloried. We have seen that in this chamber on occasions in the example of Scientology. I do not embrace Scientology—I am not going to defend it; that is not what this is about, but it is recognised as a religion. Yet sometimes you cannot even draw a cartoon without invoking the wrath and the worldwide riots attached to fundamentalists and extreme points of view. The question is: how did we get to this point? It seems we are slaughtering some of the sacred cows of our society, some of the sacred cows of our democracy, one by one, with free speech being the latest casualty.

On more contemporary issues: only a few days ago at the front of this building a number of people demonstrated voicing their protest against the attitude of the government. This is a time-honoured practice. It has been done against numerous and successive governments. People have every right to protest. I do not have to agree with the positions they are taking, I do not have to agree with what they are doing but they have every right to protest when they do so in a law-abiding and respectful manner. Yet it disappoints me that those people were mocked, derided and attacked by members of the media and some by our own government
simply for daring to speak their mind. Listening to the slurs that were flung, one journalist labelled them ‘a caravan of crackpots’ and some members of the government called them ‘a convoy of no consequence’ and ‘a convoy of no confidence’. What a terrible reflection on everyday Australians who were seeking to voice their views. People do not have to agree with them but how dare they think that the views of these people are not entitled to be heard and that they should be mocked and derided in such a way.

Senator Bob Brown was insulting ordinary Australians by calling them ‘the moaners brigade’ and ‘a smorgasbord of whingers’. It is simply unbelievable that someone like Senator Bob Brown, who has been involved in so many protests and complaints and whingeing would dare to say that without blushing. It comes down to this: if this is the pattern of attack being launched by governments, the media and religious or racial vilification tribunals, they do not seek to legitimately protect; they seek to stifle and they are being used in a single way. What are we doing to our country? That is a question we need to embrace and to consider.

Apple Imports

Senator XENOPHON (South Australia) (19:40): I rise to speak about an issue which I believe relates to the worst decision the government has made—that is, allowing the importation of New Zealand apples into Australia. I still cannot believe that the government and Biosecurity Australia have allowed the importation of New Zealand apples, which are already reached our shores. We know the consequences of fire blight. We know that fire blight has been a part of New Zealand horticultural in the apple and pear industry for something like 90 years. It has had a significant and devastating impact on the pear industry, which is only a niche industry in New Zealand. It has had a very significant, deep and debilitating impact on the apple industry in New Zealand.

Once you get fire blight—as I said yesterday in the media and I will say here tonight, fire blight is like the herpes of fruit—it will never go away. It will come back and back and you cannot do anything to eradicate it. I am very grateful for the work I have done with my colleagues Senator Colbeck, Senator Heffernan and Senator Milne who are all very concerned about this. I am very gratified for the concern of Senator Madigan in relation to the whole issue of fire blight. This needs to be dealt with with some great urgency. I believe it will be addressed in a private senator’s bill I will be introducing in the chamber tomorrow not just targeted at New Zealand apples but in a way that will be WTO compliant so that our biosecurity measures can be robust.

It is important that tonight I set straight some of the answers that were put in the chamber by Senator Conroy representing the minister for trade, the Hon. Dr Emerson. I do not think it is improper for me to say that it is my practice to let the government know the questions I will be asking because I think you get a better answer and I can get a substantive response, particularly if there are technical issues raised. These answers given by the minister on behalf of the minister for trade were clearly considered. The government had enough time to properly consider them and the answers were quite in deliberate. It is important that the answers be put through some forensic analysis.

The first question I asked of the minister was that on 1 February 2011 the Australian and New Zealand delegations to the World Trade Organisation jointly advised the World Trade Organisation that Australia would be in a position to issue new permits for the importation of apples from New Zealand on
17 August 2011. This announcement was well prior to the completion of the import risk analysis Australia was required to undertake. In fact, it was before the biosecurity services group had conducted the visit to New Zealand upon which Biosecurity Australia had purported to base its recent risk analysis. The question I asked was: on what basis was the agreement made and on what basis was this date chosen given the import risk analysis had not been complete in February? Why should not the Australian apple growers and pear growers conclude that from no later than one February 2011 the outcome of the risk analysis had been fixed so that New Zealand apples would be coming to Australia?

Senator Colbeck, in his contribution, in reflecting on answers to questions without notice last week, on 18 August, referred to their being a fix in relation to this. I think that is an accurate reflection of what Senator Colbeck said and he is absolutely right. Well, the answer given by the minister was, I think, a quite dismissive answer and a rather arrogant answer given the severity of what is at stake here. The minister said:

Under WTO rules Australia had an obligation to implement the outcomes of the apples dispute either immediately or within a reasonable period of time. The Australian government decided to implement the outcomes by a scientific review of the existing 2006 import risk analysis. The reasonable period of time can either be set by agreement between the parties or by an independent arbiter. The New Zealand and Australian authorities negotiated a period of eight months to complete this review, putting Australia in a position to issue import permits by 17 August 2011.

Parenthetically, Mr President, I would say that on my calculation, and I am sure you would correct me if I am wrong, that 1 February 2011 to 17 August 2011 is more like 6½ months, not eight months. Nevertheless, the government went on to say:

If it had been left to an arbiter it is likely that Australia would have been given less time to implement the findings.

What absolute nonsense we have been told in relation to this. I repeat that sentence in the minister's answer:

If it had been left to an arbiter it is likely that Australia would have been given less time to implement the findings.

That statement absolutely cannot be supported by reference to any authority of any kind.

The most closely analogous case is Japan—Measures Affecting the Importation of Apples (WT/D5245). I give that for those who want to look up that decision. The time line was as follows. Japan did not bring its measures into line with the appellate body's ruling until the second half of 2005, some 2½ years after the adoption of that ruling. Further, there is no capacity for an 'arbiter' to determine the reasonable period of time except in the context of a request—in this case by NZ—for permission to impose sanctions. As a time line which I will outline now shows, that step in the Japan case took two years. In the Japan case the appellate body report was adopted by the DSB on 10 December 2003. In Australia it was adopted in relation to apples on 17 December 2010. The agreed date for a new risk analysis was 30 June 2004. In Australia's case it was 17 August 2011. The United States requested permission to impose sanctions on 19 July 2004. In Japan the DSB produced a report on whether the risk analysis complied with the appellate body report on 23 June 2005. A significant period of time had elapsed. But in Australia's case no subsequent step could arise because the agreed date for the risk analysis was also the date by which import permits were agreed to be issued.
In other words, we shot ourselves in the foot when we negotiated that outcome between Australia and New Zealand with the WTO. We did not negotiate. We were like that insurance company ad as we were the 'un-negotiators'. It was a miserable attempt at negotiating to ensure that Australia would be a clean, green, disease-free producer of apples and pears in this country. It was an abdication of responsibility in terms of our negotiations before the WTO with New Zealand. It was a shocking outcome.

In relation to the Australia New Zealand Closer Economic Agreement, or ANZCERTA, I asked the government whether, in fact, there cannot be sanctions against Australia because there is an obligation to maintain on New Zealand's part the duty-free flow of goods from Australia under ANZCERTA. The minister, on behalf of the Minister for Trade, basically said that the government does not really agree with the statement and there is nothing in the treaty in determining whether New Zealand could retaliate. The WTO would not consider the provisions of the treaty in determining whether New Zealand could retaliate. It would only look at the parties' rights under the WTO agreement. I dispute that most strongly. I dispute it because I think if you look at article 4 of ANZCERTA—and I do not have time to set it out now—you will see it is very clear that there is compelling case why New Zealand could not impose sanctions against us.

The consequences of this decision and the consequences of botched negotiations by the Australian government have been to put at risk our apple and pear industries in this nation. They have put at risk their disease-free status. They have put at risk future investment in the apple and pear industries. Apple and pear growers are in despair. They tell me they wonder whether it is worth getting out of bed in the morning because they have the spectre of fire blight coming into this country. When you consider that in parts of Australia fire blight can take off in something like 20 days a year, compared to two or three days a year in New Zealand, you see this is indeed a crisis. That is why the decision of the Australian government must be, as a matter of urgency, reversed by the national parliament.

**Trachoma**

Senator FAULKNER (New South Wales) (19:50): We are going from fire blight to sandy blight, in fact, because tonight I would like to speak about the terrible and entirely preventable eye disease, trachoma, which is also known as sandy blight. I would also like to acknowledge the work of Vision 2020 Australia, in raising awareness of and leading advocacy about trachoma, and, more broadly, the efforts to eliminate avoidable blindness and vision loss in Australia by the year 2020. Fred Hollows said that trachoma was a disease of the creche, the childhood nursery. Children under the age of five predominantly bear the active infection but the pain, scarring and damage to the eye is carried into adulthood. Unfortunately, without treatment it results in total blindness. This insidious disease is easily avoidable. The most effective strategy for combating the spread of trachoma is by simply washing children's faces. One of the earliest recorded eye diseases in history, trachoma is one of the leading causes of preventable blindness worldwide. It was an election promise of Woodrow Wilson in 1912 that blinding trachoma be eliminated from the United States, and it was. The World Health Organisation lists Australia as the only developed country that still has prevalent cases of trachoma. The majority of these cases are found almost exclusively within our Indigenous population. It remains the fourth-leading cause of blindness in
Aboriginal Australians. In 2009, Professor Hugh Taylor from the University of Melbourne, a world authority and leader in the fight against Third World disease in our Indigenous communities, said that 'trachoma currently affects approximately 20,000 Indigenous children' and 'in certain remote communities, more than half of Aboriginal children have active trachoma and one in 10 adults have the blinding results of the disease.'

The department of health has indicated that trachoma is known to be endemic in Aboriginal and Torres Strait Islander populations in the Northern Territory, South Australia and Western Australia. As recently as 2008, trachoma was identified in children in New South Wales and Queensland where trachoma was thought to be eradicated. Trachoma is a contagious infection of the eye caused by specific strains of the bacteria Chlamydia trachomatis. Vision 2020 Australia have highlighted a range of environmental factors associated with trachoma, including abundance of household flies, unhygienic latrines, neglected domestic animals, overcrowded housing, contaminated water and lack of community awareness. Transmission of the infection occurs primarily in four ways: direct eye-to-eye spread—for example, while playing or while sharing a bed; conveyance on fingers; indirect spread by sharing towels or clothing; and an abundance of eye-seeking flies. The initial symptoms of trachoma are similar to common conjunctivitis: stinging pain in the eyes, sensitivity to light, swelling of the eyelids and a build-up of conjunctiva. If the symptoms are not treated, the conjunctiva under the eyelid gradually become scarred. The lacrimal glands, where tears are formed, also become scarred. The scarring of the eyelid conjunctiva causes the eyelids to turn in, which is known as trichiasis, and makes them rub against the cornea of the eye. If this rubbing goes untreated, in advanced stages this scarring becomes so bad it causes blindness.

The disease itself can be treated easily and quickly with antibiotics. If the disease remains untreated and eyelashes become inverted, they can be corrected with a simple surgical procedure. In the 2009 budget, the then Rudd government committed $16 million over four years to start the process of eliminating trachoma from Australia as part of the $53 million Indigenous eye and ear health initiative. This followed the commitment made by the Prime Minister, in his report to parliament on the progress made, to close the gap. Already significant reductions in the prevalence of trachoma are being reported.

In the budget this year the government announced funding for the purchase of eye-health testing and treatment equipment for mobile eye-health teams in Western Australia, the Northern Territory, South Australia and New South Wales. This funding means that the majority of eye operations will be able to be performed in communities, reducing the stress of dislocation and maximising patient attendance and clinical quality. The government is also providing funding for a range of resources to support the national network of 23 regional eye-health coordinators in the Northern Territory, South Australia, Western Australia, Queensland, New South Wales and Victoria.

Over the last 20 years, progress on trachoma has been made in regional communities across Australia. However, in some remote areas, especially in the Northern Territory and Western Australia, it must be acknowledged that trachoma is still a fact of life. All Australians have the right to sight. It is unacceptable to see children suffering from trachoma infection, on the
same path as so many of their elders, which will almost certainly end with total blindness if they do not receive treatment. While progress has been made to eradicate this tragic disease, trachoma is entirely preventable. It disappeared from White Australia 100 years ago, and I look forward to the day it disappears completely for all Australians.

**Senate adjourned at 19:58**
QUESTIONS ON NOTICE

Banking

(Question No. 74)

Senator Johnston asked the Minister representing the Minister for Financial Services and Superannuation, upon notice, on 28 September 2011:

Does a bank require confirmation from every customer signing a guarantee that they have had the guarantee and its implications explained to them.

Senator Sherry: The Minister for Financial Services and Superannuation has provided the following answer to the honourable senator's question:

The Australian Bankers Association has released the Code of Banking Practice. The Code sets out in detail what the member banks of the ABA will do before they take a guarantee. The Code of Banking Practice requires that before a guarantee is taken, the bank must provide a prominent notice indicating:

- that the person should seek independent legal and financial advice on the effect of the guarantee;
- that the person can refuse to enter into the guarantee; and
- that there are financial risks involved.

Banks have a duty to disclose relevant issues to a third party guarantor. In addition, guarantees may be overturned because of unconscionable conduct; instances of duress; undue influence; and inequality of bargaining power due to a specific disadvantage or disability.

Banking

(Question No. 77)

Senator Johnston asked the Minister representing the Minister for Financial Services and Superannuation, upon notice, on 28 September 2011:

Given that most people faced with a problem under a guarantee have little recourse other than the legal process, and that most cannot afford to pay for this: what assistance or help is provided for persons affected by recovery procedures by banks.

Senator Sherry: The Minister for Financial Services and Superannuation has provided the following answer to the honourable senator's question:

A decision by a person to become a guarantor is a private commercial decision. The Australian Bankers Association’s Code of Banking Practice (Code) sets out the obligations of the banks regarding guarantees. A guarantee must include a statement that the Code applies to the guarantee. The Code requires banks to inform individuals that they can refuse to enter into a guarantee, there are financial risks involved and that a person has the ability to limit their liability.

If a bank seeks to enforce a guarantee, a person may seek free legal advice from community legal centres and no win no fee solicitors. A person may also be able to make a complaint to the Financial Ombudsman Service.

The Commonwealth also provides funding to organisations which assist people affected by recovery procedures. The Commonwealth funds legal aid and community legal centres in each state including, in most jurisdictions, a consumer credit legal centre. These legal centres were provided with increased funding as part of the 2011-12 Budget process. The Government will provide $194.8 million in funding to the states for legal aid commissions under the National Partnership Agreement on Legal Assistance Services. This amount is an increase of $4 million from last year, and forward estimates show this funding increasing by a total of $11 million over the next three years. A further $10.4 million will be provided to legal aid commissions under the Attorney-General's Department Program 1.3: Justice Services. This represents a significant increase from the $3.3 million originally allocated in the 2010–11 Budget. In addition, under the Attorney-General's Department Program 1.3: Justice Services, $34 325
million ($31 483 million in 2010–11) in payments will be made for the provision of community legal services across Australia.

**Status of Women: Stationery**  
*(Question No. 254)*

**Senator Humphries** asked the Minister representing the Minister for the Status of Women, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

**Senator Wong:** The Minister for the Status of Women has provided the following answer to the honourable senator's question:

The answers to these questions were included in the response provided to questions 228, 240, 253, 255 and 256 that appeared in *Hansard* on 22 June 2011 at page 3632.

**Social Housing and Homelessness: Stationery**  
*(Question No. 257)*

**Senator Humphries** asked the Minister for Social Housing and Homelessness, upon notice, on 29 November 2010:

Since 14 September 2010, for each Minister and any Parliamentary Secretaries in their portfolio:

(1) What has been the total amount spent on stationery and publications, including a breakdown of all spending.

(2) What has been the total amount spent on printing ministerial letterhead.

(3) What is the grams per square metre [GSM] of the ministerial letterhead.

(4) Is the letterhead carbon neutral.

**Senator Arbib:** The answer to the honourable senator's question is as follows:

The answers to these questions were included in the response provided to questions 228, 240, 253, 255 and 256 that appeared in *Hansard* on 22 June 2011 at page 3632.

**Defence: Hospitality**  
*(Question Nos 491 to 493)*

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 22 March 2011:

(1) For the period 1 July to 31 December 2010:

   (a) what was the hospitality spend for each agency within the responsibility of the Minister/Parliamentary Secretary; and

   (b) for each hospitality event, can the following details be provided:

      (i) the date, (ii) the location, (iii) the purpose, (iv) the cost, and (v) the number of attendees.

(2) For the period 1 July to 31 December 2010, can details be provided of the total hospitality spend for the office of the Minister/Parliamentary Secretary.
Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1)(a) The Department of Defence's total expenditure on Hospitality (excluding the Minister's Office) with separate analysis of representational allowances, for the period 1 July 2010 to 31 December 2010, is shown in Table 1. This information has been provided in response to Senate Question on Notice 117-119 which was tabled 22 March 2011.

Official Hospitality is the provision of hospitality to persons other than Defence personnel who are able to assist Defence in achieving its corporate objectives through advice, vocational or business interests or attendance at official ceremonies or functions.

Representational allowances assist Australian Defence Organisation (ADO) members posted on long-term duty overseas to meet the costs of officially entertaining host-country nationals. The sole purpose of providing such hospitality is to enable ADO members to conduct Australian and Defence business more efficiently and effectively.

(1)(b) Details of each event are provided at Table 2. The number of attendees at hospitality events has been included. Attendee details for events paid from representational allowances are not currently available, but enhanced data collection processes implemented from 1 January 2011 collects the number of attendees at representational events and this will be available for reporting purposes after this date.

(2) Details of hospitality spend for the offices of the Minister/Parliamentary Secretary are provided at Table 3. This Table correctly reports the costs recorded up to 31 December 2010 for the “34th Squadron thank you function” at $2,795.

Attachments:
Table 1: Summary of Hospitality and Representational Allowance Expenditure For the Period 1 Jul 2010 to 31 Dec 2010.
Table 2: Event Level Detail for Defence, DMO and DHA.
Table 3: Event Level Detail for the Offices of Minister and Parliamentary Secretaries.

Minerals Resource Rent Tax
(Question No. 601)

Senator Cormann ask the Minister representing the Treasurer, upon notice, on 15 April 2011:

With reference to the proposed Minerals Resource Rent Tax and following the recent Federal Court of Australia decision in Esso Australia Resources Pty Ltd v The Commissioner of Taxation [2011] FCA 360, has the department conducted any assessment or modelling to determine the impact of this decision on revenue implications for the Government’s proposed Minerals Resource Rent Tax; if not, why has the department not done so; if so, can details be provided of: (a) this assessment or modelling; and (b) the projected revenue implications.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

The decision in Esso Australia Resources Pty Ltd v The Commissioner of Taxation [2011] specifically relates to the Petroleum Resource Rent Tax (PRRT). Since this decision was handed down the Government announced a measure as part of the 2011-12 Budget which seeks to provide greater certainty around the taxing point for PRRT. There are significant differences between the taxing point
under the Minerals Resource Rent Tax (MRRT) and the PRRT. On 10 June the Government released the draft MRRT legislation for public comment. The bill provides detail on the how the taxing point is expected to operate under the MRRT.

**Attorney-General: Justice Reinvestment**

**(Question No. 691)**

**Senator Ludlam** asked the Minister representing the Attorney-General, upon notice, on 15 June 2011:

1. Has the department undertaken any research or analysis of international experiences, both government and non-government led, with justice reinvestment: if so, can the findings of any such research or analysis be provided.

2. Has the department been in further contact with the Aboriginal Legal Service on the issue of justice reinvestment.

3. Has the department analysed the successful pilot study in Newcastle that reduced re-offending to a minimum.

4. Has the department any plans for further pilot studies in areas with high incarceration rates.

**Senator Ludwig:** The Attorney-General has provided the following answer to the honourable senator's question:

The Department has undertaken some research and analysis of international experiences with justice reinvestment. The Attached Background Paper summarises that work.

The Department received a request from the Aboriginal Legal Service of Western Australia (ALSWA) in July 2010 to sponsor a documentary on justice reinvestment. The Department did not have resources available to commit to the project, and has not been in further contact with ALSWA or any other Aboriginal Legal Services on the issue of justice reinvestment.

The Department is aware of a multi-systemic therapy program in NSW (the Intensive Supervision Program) which has been piloted in Western Sydney and Newcastle. While some initial positive results have been reported in the media, the Department understands that program has not been subject to an outcomes evaluation to establish overall impacts on re-offending. The Department intends to monitor the program closely.

The Department has commissioned evaluations of twenty Indigenous justice programs which are consistent with justice reinvestment approaches. The evaluations are reviewing a range of programs designed to reduce Indigenous rates of offending, incarceration and recidivism, particularly amongst youth and perpetrators of violent crime. An additional project to evaluate the effectiveness of six drug and alcohol programs aimed at Indigenous offenders or those at risk of offending will commence over the next few months. The evaluations are occurring under the National Indigenous Law and Justice Framework, and the findings will form a vital base which can inform the development of initiatives across Australia that draw on the justice reinvestment approach. Further information about the evaluations is available on the Department's website: www.ag.gov.au

The Department is also currently chairing a cross-jurisdictional working group to further investigate justice reinvestment / causes of crime in the Australian context. The group is scheduled to provide a report including options to National Justice Chief Executive Officers in November 2011.

**Burrup Peninsula**

**(Question No. 692)**

**Senator Ludlam** asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 15 June 2011:

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**QUESTIONS ON NOTICE**
In regard to an explosive event conducted by Holcim Australia at their quarry on the Burrup Peninsula on the afternoon of 1 April 2011:

(1) Were there any commitments or guidelines for Holcim Australia similar to those used by Rio Tinto Iron Ore and Woodside Energy for the vibration effect of explosions on the surrounding rock art and terraces on the Burrup Peninsula or National Heritage listed area; if not, why not.

(2) Is the Minister aware that explosions such as the one that occurred at the Holcim quarry dislodge boulders on the Burrup; if not, will the Minister avail himself of this information.

(3) If the answer to paragraph (1) above is no and the answer to paragraph (2) above is yes, what will the Minister do about these activities.

(4) Will the Minister impose explosive impact guidelines similar to those used by Rio Tinto Iron Ore and Woodside Energy on Holcim Australia; if not, why not.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator’s question:

(1) The guidelines developed by Rio Tinto Iron Ore and Woodside Energy for the vibration effect of explosions on Dampier Archipelago (including Burrup Peninsula) national heritage listed place were self-imposed and not a requirement of government. The Australian Government is not aware of Holcim Australia having any commitments or guidelines similar to those used by Rio Tinto Iron Ore and Woodside Energy.

However, it is an offence under the Environment Protection and Biodiversity Conservation Act 1999 for a person to take an action that has, will have or is likely to have a significant impact on the Indigenous heritage values of a National Heritage Place. If the company’s explosions are having, will have or are likely to have a significant impact on the values of the National Heritage Place they would be required to refer their activities for assessment under the Act.

(2) The department did receive a report of a scree slope that collapsed some two kilometres from the quarry but the department has no evidence of a connection between that slope collapse and explosions at the Holcim quarry. However, departmental officials will be meeting with Holcim Australia in coming weeks to discuss managing quarry activities to ensure the conservation of adjacent national heritage values.

(3) Please refer to the answer to question (2).

(4) My powers are predicated on actions that are likely to have a significant impact on a matter of national environmental significance.

Australian Broadcasting Corporation
(Question No. 693)

Senator Ludlam asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 15 June 2011:

In regard to the Australian Broadcasting Corporation (ABC):

(1) How does the ABC propose to address the potential impact of the convergence of television, radio, phone and iPad platforms and the nationally legislated local content quota.

(2) Has the ABC reversed its decision to halve its bureau in the Middle East.

(3) What relationship does the ABC have with Associated Press Television News in terms of the sharing of technicians and producers.

(4) Why has Late Night Live been removed from Radio Australia’s schedule altogether rather than being aired at another time.
(5) Has the Department of Foreign Affairs or Trade or any minister in the present government or their senior staff expressed an opinion (formally or informally) to the ABC about any aspect of Late Night Live in the past 6 months.

(6) What criteria is used to determine which guest commentators are paid, under what circumstances and the amount.

(7) Is there a financial relationship between the ABC and TuneIn.

(8) When did TuneIn begin to carry ABC content.

(9) Has the ABC supplied any content to TuneIn, or given permission for TuneIn to use ABC content.

(10) Is the ABC concerned that TuneIn carries ABC content along with advertising.

(11) Does the ABC pay for the Australia Traffic Network's reports on the ABC.

Senator Conroy: The answer to the honourable senator's question is as follows:

(1) The ABC continually assesses the media environment in which it operates and believes that it produces quality content with the funding it receives from the government. As technology has changed, the ABC has endeavoured to ensure that its content is available and accessible across a range of platforms to Australian audiences, including through its television and radio broadcasts, web content and iPhone and iPad apps.

The ABC continues to consider the issues of convergence in its daily operations and its long-term strategic thinking. In examining the impact of convergence on the sector more broadly, the Corporation is providing input to the government's Convergence Review.

The Australian Content Standard sets minimum levels of Australian programming to be broadcast by commercial television broadcast licensees. The standard does not apply to the ABC.

(2) ABC News considered reducing the number of permanent correspondents it had in the Middle East. However, given recent events in the region and following consultation with staff, the proposal to reduce the number of permanent correspondents in the region has been deferred.

(3) The ABC has no on-going arrangements with APTN in relation to the sharing of technicians and producers.

(4) On 11 April 2011, Radio Australia (RA) moved from predominantly pre-recorded content from other networks, which was produced to reflect domestic Australian audience interests, to predominantly live content that is produced to reflect the interests of our target audiences in Asia and the Pacific. This change in programming was made to allow RA to respond to high interest issues of the day and events as they occur, including emergencies and major breaking news.

The decision to remove Late Night Live from RA's schedule was made in this light and in order to allow RA to produce additional content tailored specifically for audiences in Asian and Pacific markets, including content with a focus on Australian attitudes to world affairs.

RA uses interviews and segments from Late Night Live as inserted items in the new live flow programming. International audiences can still receive Late Night Live in full, and other ABC domestic radio content, via the internet.

(5) The ABC is not aware of the Department of Foreign Affairs or Trade, any minister in the present government or any senior government staff member expressing an opinion (formally or informally) to the ABC about any aspect of Late Night Live in the past 6 months.

(6) As a general rule, ABC Radio pays few guest commentators, the exceptions being sports commentators and some regular commentators on various stations, such as weekly or fortnightly experts on gardening, technology and other topics, and film and television reviewers.
From time to time, ABC Radio may cover associated costs for guest commentators such as parking or taxi expenses for guests visiting to our studios.

The criteria used to select commentators and whether to pay a fee include:

- Level of knowledge and expertise in their respective fields
- Professional/public profile
- Ability to communicate with audiences
- Regularity of appearances
- Preparation required for their contribution.

Sporting commentators are usually paid fees for shifts of between five and nine hours. The fee varies depending on their profile as a commentator, the market within which they are based, and their 'length of service' commentating on ABC Radio. For example, the Melbourne AFL market is extremely competitive with up to six stations broadcasting AFL at any one time. This makes finding and retaining talent difficult. In Sydney where NRL is the dominant code, there are fewer analysts to support our AFL coverage.

The ABC aims to offer sports commentators as close as possible to market rates, especially for our longer serving commentators. ABC Radio prides itself on developing talent but once they develop their profile and ability in commentary, we tend to lose commentators to commercial channels which offer fees above those which the ABC can afford to pay.

ABC News does not pay for interviews as part of its news coverage. However, on programs which rely on regular contributions from invited guests (such as Insiders and Offsiders), payments and travel costs are paid to contributors. There is no precise formula in relation to the amount of these payments, which depend on the skills and experience of the contributors and the prevailing market conditions.

(7) There is no financial association between the ABC and TuneIn.

(8) The ABC has no formal relationship with TuneIn and is unaware when TuneIn began to carry information about ABC services.

(9) ABC Radio has not supplied content to TuneIn or provided TuneIn with permission to use ABC content.

Tunein.com is an 'aggregator' site which provides its viewers with names, brief descriptors and links to thousands of radio streams around the world. Any person clicking on an ABC link on the tunein.com site is directed back to the relevant ABC site, provided through the ABC's servers.

(10) The ABC regards these aggregator sites as an unavoidable phenomenon of the internet age and, because of the proliferation of such sites, the ABC does not consider it practicable to pursue the operators of these sites and seek that they desist from including the ABC on their station directories.

The ABC is concerned that tunein.com and other like sites carry commercial content near links to ABC Radio sites. However, the Corporation considers that as interested audiences are quickly linked through to a self-selected ABC Radio site, it is unlikely that the tunein.com advertising would be associated with the ABC.

(11) No.

Defence: Staffing
Question No. 709

Senator Johnston asked the Minister representing the Minister for Defence Materiel, upon notice, on 23 June 2011:

1. What number of Navy uniformed personnel were employed in the Defence Materiel Organisation as at 1 June 2011
(2) What are the estimated numbers for each of the following financial years: 2012-13, 2013-14, 2014-15 and 2015-16.

Senator Chris Evans: The Minister for Defence Materiel has provided the following answer to the honourable senator’s question:

(1) The number of Navy uniformed personnel employed in the Defence Materiel Organisation as at 01 June 2011 was 303, the approved limit is 370.

(2) The approved limit for each of the following financial years:
2012-13, 2013-14, 2014-15 and 2015-16 are:
(a) 2012-13 figure is 370;
(b) 2013-14 figure is 375;
(c) 2014-15 figure is 379; and
(d) 2015-16 figure is 383.

Defence: Staffing
(Question No. 710)

Senator Johnston asked the Minister representing the Minister for Defence Materiel, upon notice, on 23 June 2011:

(1) What number of Army uniformed personnel were employed in the Defence Materiel Organisation as at 01 June 2011

(2) What are the estimated numbers for each of the following financial years: 2012-13, 2013-14, 2014-15 and 2015-16.

Senator Chris Evans: The Minister for Defence Materiel has provided the following answer to the honourable senator’s question:

(1) The number of Army uniformed personnel employed in the Defence Materiel Organisation as at 01 June 2011 was 389, the approved limit was 468.

(2) The approved limit for each of the following financial years:
2012-13, 2013-14, 2014-15 and 2015-16 are:
(a) 2012-13 figure is 485;
(b) 2013-14 figure is 497;
(c) 2014-15 figure is 507; and
(d) 2015-16 figure is 512.

Defence: Staffing
(Question No. 711)

Senator Johnston asked the Minister representing the Minister for Defence Materiel, upon notice, on 23 June 2011:

(1) What number of Air Force uniformed personnel were employed in the Defence Materiel Organisation as at 01 June 2011

(2) What are the estimated numbers for each of the following financial years: 2012-13, 2013-14, 2014-15 and 2015-16.

Senator Chris Evans: The Minister for Defence Materiel has provided the following answer to the honourable senator’s question:
(1) The number of Air Force uniformed personnel employed in the Defence Materiel Organisation as at 01 June 2011 was 729, the approved limit was 929.

(2) The approved limit for each of the following financial years:
   2012-13, 2013-14, 2014-15 and 2015-16 are:
   (a) 2012-13 figure is 939;
   (b) 2013-14 figure is 957;
   (c) 2014-15 figure is 970; and
   (d) 2015-16 figure is 983.

**Horizontal Waterfalls**

(Question No. 715)

Senator Ludlam asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 29 June 2011:

In regard to the Horizontal Waterfalls of the Kimberley, Western Australia:

(1) Are the environmental and/or cultural values of the Horizontal Waterfalls and surrounds currently being assessed for heritage listing by the Minister.

(2) Would any proposed exploration, clearing or mining in the Horizontal Waterfalls area require federal environmental assessment under the Environment Protection and Biodiversity Conservation Act 1999 (the Act).

(3) Are there any reasons why environmentally sensitive areas in the immediate vicinity of the Horizontal Waterfalls, including near-coastal habitats of Poulton Creek and Cyclone Creek, would be exempt from requiring a clearing permit.

(4) Can the department confirm that the proposed exploration area by Pegasus Metals Limited is adjacent to environmentally sensitive near-coastal areas around the Horizontal Waterfalls, which include Poulton Creek and Cyclone Creek.

(5) Has Pegasus Metals referred to the Minister any of the following in relation to their Horizontal Falls tenements:
   (a) exploratory/preparatory work plans;
   (b) any mining plans, including the clearing of native vegetation; or
   (c) details of possible impacts on listed species/communities;
   if so, can details be provided; if not, will the Minister call in the proposal (under the Act) given the significance of the Horizontal Waterfalls and surrounds.

(6) Can the department confirm whether Pegasus Metals flew fuel and heavy equipment into the Horizontal Waterfalls area during May 2011.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable Senator’s question:

(1) Yes. They form part of the West Kimberley national heritage place currently under assessment.

(2) Any actions that are likely to have a significant impact on a matter of national environmental significance must be referred to the Minister for the Environment for assessment and approval. If the proposed exploration, clearing or mining activities were likely to have a significant impact, they would require referral and assessment under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

(3) Clearing permits are a requirement under state legislation administered by the Western Australia Department of Environment and Conservation. I am therefore unable to comment on this question.
(4) The Western Australian State Government approved an exploratory drilling program in an area to the southeast of Talbot Bay, where the Horizontal Waterfalls are located. Poulton Creek and Cyclone Creek are adjacent to this area.

(5)
   a. No.
   b. No.
   c. No.

While the above matters have not been formally referred under the EPBC Act, I am advised that Pegasus Metals Limited has had pre-referral discussions with the Department of Sustainability, Environment, Water, Population and Communities about the mining proposal. I have also been advised that Pegasus Metals Limited has been informed of its obligation under the EPBC Act and has indicated that it is aware of these requirements.

(6) No, the department is not able to confirm whether or not Pegasus Metals transported fuel and heavy equipment during May 2011. Any regulatory requirements in relation to such activity would be a matter for the State, not the Commonwealth government.

**National Rental Affordability Scheme**

(Question No. 717)

**Senator Ludlam** asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 29 June 2011:

With reference to the National Rental Affordability Scheme (NRAS):

(1) In regard to NRAS Round 3 which called for applications with 1 000 plus incentives, and reports during the 2011-12 Budget estimates hearings of the Environment and Communication Legislation Committee (the 2011-12 Budget estimates hearings) that it 'took an average of eight weeks to complete assessment for those applications':
   
   (a) how many applications were received;
   
   (b) what was the average time taken to complete the assessment of those applications;
   
   (c) what was the longest period of time taken for the applications; and
   
   (d) can a table be provided listing the successful applications by name of applicant, description of project (number of studio, 1, 2, 3, and 4+ beds) and the location (suburb and state/territory).

(2) In regard to the NRAS Round 4 which closed in December 2010, and reports during the 2011-12 Budget estimates hearings that most applications were received on 14 December 2010, with offers made on 1 800 incentives but the assessment of 15 000 applications for 52 000 incentives still outstanding:

   (a) how many applications were received for Round 4;
   
   (b) how many offers have been made to date;
   
   (c) given that NRAS regulations stipulate incentives will be assessed and offers made within 6 months, how many applicants will receive notification outside this time limit; and
   
   (d) of the successful applications made, can a table be provided listing the name and description of project (number of studio, 1, 2, 3, and 4+ beds) and location (suburb and state/territory).

(3) In regard to NRAS Round 5 which is yet to be announced:

   (a) is there an indicative timeframe for when Round 5 will be announced, and for how many incentives; and
   
   (b) are any particular themes or strands (such as student housing, large developments) being considered for Round 5.
(4) How is the strand for each NRAS round decided.

**Senator Conroy:** The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator's question:

(1) (a) 35.

(b) An application can only be assessed once all supporting information is provided by the applicant. Under Round Three of the Scheme it took on average 8 to 10 weeks to assess a fully compliant application.

(c) The longest time taken to complete the assessment of a Round Three application deemed fully compliant was 34 weeks.

Factors contributing to delays in the assessment of this application included that:

- the application was for incentives across three jurisdictions which increased the assessment complexity; and
- two state governments requested additional information from the applicant during the assessment period to confirm the financing arrangements for a number of projects and to support assumptions used in the financial viability risk assessment.

For this application, the applicant received a partial offer of Incentives on 22 December 2010 (at 25 weeks) prior to the final offer being made on 28 February 2011.

(d) Table of successful applicants under Round Three can be found at Attachment A.

(2) (a) 297.

(b) 3,726 Incentives have been offered as at 12 July 2011.

(c) 201 applicants have been notified as to the status of their application where a decision has not been made within six months of the date the application was received.

(d) Table of successful applicants under Round Four can be found at Attachment B. Note: While all offers made to successful applicants are included in this table, not all successful applicants have accepted the offer made to them as at 13 July 2011.

(3) There has been no decision on any further call for applications.

(4) The Minister determines the parameters for each call for applications based on advice from the Department, and in consultation with states and territories and other stakeholders. Assessment criteria must be prescribed by Schedule One of the National Rental Affordability Scheme Regulations 2008.

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**Attachment A**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>State</th>
<th>Suburb</th>
<th>Dwelling type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian National University</td>
<td>Australian Capital</td>
<td>Acton, Canberra City</td>
<td>955 x Studio apartments</td>
</tr>
<tr>
<td></td>
<td>Territory</td>
<td></td>
<td>19 x 1 br apartments</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>11 x 2 br apartments</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>32 x 5 br apartments</td>
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<td>Brisbane Housing Company Ltd</td>
<td>Queensland</td>
<td>Bowen Hills, Kangaroo Point</td>
<td>14 x Studio apartments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20 x 1 br</td>
</tr>
<tr>
<td>Applicant</td>
<td>State</td>
<td>Suburb</td>
<td>Dwelling type</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------</td>
<td>---------------------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Ethan Affordable Housing</td>
<td>Northern Territory</td>
<td>Darwin</td>
<td>apartments</td>
</tr>
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<td></td>
<td></td>
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<td></td>
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<td>293 x Studio apartments</td>
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<td></td>
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<td>83 x 3 br houses</td>
</tr>
<tr>
<td>Victoria</td>
<td>Victoria</td>
<td>Ballarat, Bendigo, Box</td>
<td>66 x Studio apartments</td>
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<td>Hill, Flora Hill, Geelong,</td>
<td>371 x 1 br apartments</td>
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<td></td>
<td>Maiden Gully, Melbourne City,</td>
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<td></td>
<td>North Melbourne, Sunshine</td>
<td>214 x 3 br townhouses, 2 x 3 br houses</td>
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<td></td>
<td></td>
<td></td>
<td>2 x 4 br houses</td>
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<td>Gold Coast Housing Company Ltd</td>
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<td>Mt Louisa</td>
<td>9 x 3 br houses</td>
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<td>ING REDA Holdings Pty Ltd</td>
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<td>Docklands</td>
<td>18 x 4 br houses</td>
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<td>Mission Australia Housing Ltd</td>
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<td>Camperdown</td>
<td>277 x 1 br apartments</td>
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<td>National Housing Company Ltd</td>
<td>New South Wales</td>
<td>Fairfield, Greystanes, Guildford, Nth Parramatta, Quakers Hill, St Marys</td>
<td>83 x 1 br apartments</td>
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<td></td>
<td>Queensland</td>
<td>Beerwah, Bli Bli, Caboolture,</td>
<td>174 x 2 br apartments</td>
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<td>Caloundra West, Chermside,</td>
<td>22 x 3 br apartments</td>
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<td>Cooroy, Glass House Mountains,</td>
<td>193 x 1 br apartments</td>
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<td></td>
<td></td>
<td>Kilcoy, Mango Hill, Maroochydore, Morayfield, Nambour, Sippy Downs, Wurtulla</td>
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<td>Port Phillip Housing Association Ltd</td>
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<tr>
<td></td>
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<td></td>
<td>9 x 3 br apartments</td>
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<tr>
<td>Providence Housing Pty Ltd</td>
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<td>Cheltenham, Dandenong, Docklands, Footscray, Frankston, Ringwood</td>
<td>225 x Studio apartments</td>
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<tr>
<td>Queensland Affordable Housing Consortium Ltd</td>
<td>Queensland</td>
<td>Augustine Heights, Beenleigh, Bellbird Park, Brassall, Brassall Heights, Burdell, Caboolture, Calliope, Deeragun, Drewvale, Edens Landing, Eimeo, Jimboomba, Karalee, Karana Downs, Kingaroy, Kingston, Kirwan, Laidley, Leichhardt, Lowood, Mackay, Manly West, Moggill, Morayfield, Mt Louisa, North Booval, Ooralea, Parkhurst, Redbank, Redbank Plains, Redcliffe, Robina, South MacLean, Springfield Lakes, Upper Coomera, Urangan, Warwick, Yeppoon</td>
<td>36 x Studio apartments</td>
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<td></td>
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<td>25 x 2 br houses</td>
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<td>Questus Funds Management Ltd</td>
<td>Queensland</td>
<td>Augustine Heights, Bahrs Scrub, Bundamba,</td>
<td>124 x 1 br apartments</td>
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<td></td>
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<td>44 x 2 br apartments</td>
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QUESTIONS ON NOTICE
### QUESTIONS ON NOTICE

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<th>Dwelling type</th>
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<td><strong>State</strong></td>
<td><strong>Suburb</strong></td>
<td><strong>Dwelling type</strong></td>
</tr>
<tr>
<td>UWA Accommodation Services Pty Ltd</td>
<td>Western Australia</td>
<td>Claremont, Crawley, Nedlands</td>
<td>1,000 x Studio apartments</td>
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<td>Victorian Urban Development Authority</td>
<td>Victoria</td>
<td>Coburg</td>
<td>23 x 1 br apartments</td>
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<tr>
<td>Yaran Residential Investments Pty Ltd</td>
<td>Western Australia</td>
<td>Aubin Grove, Bassendean, Bertram, Boyanup, Bridgetown, Canning Vale, Dawesville, Denmark, Falcon, Hocking, Little Grove, Mandurah, Merriwa, Mt Barker, Not Stipulated</td>
<td>868 x 2 br townhouses, 98 x 3 br townhouses, 100 x 3 br houses, 10 x 4 br houses</td>
</tr>
</tbody>
</table>

* Data current as at 13 July 2011. Data is subject to change

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### Attachment B

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<td>Queensland</td>
<td>Eagleby</td>
<td>13 x 1 br apartments</td>
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<td></td>
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<td>47 x 2 br apartments</td>
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<tr>
<td></td>
<td>Queensland</td>
<td>Yorkeys Knob</td>
<td>25 x 2 br apartments</td>
</tr>
<tr>
<td></td>
<td>Queensland</td>
<td>Annerley</td>
<td>30 x 2 br apartments</td>
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<td>Queensland</td>
<td>Strathpine</td>
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<td></td>
<td></td>
<td>22 x 2 br apartments</td>
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<td>Queensland</td>
<td>Murrumba Downs</td>
<td>37 x 3 br townhouses</td>
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<td>Queensland</td>
<td>St Lucia</td>
<td>40 x 3 br townhouses</td>
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<tr>
<td>Aspire Housing Group Pty Ltd Ltd</td>
<td>Queensland</td>
<td>Mackay</td>
<td>31 x 2 br apartments</td>
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<td>Kearney Springs, Thabeban,</td>
<td>35 x 3 br townhouses</td>
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<td></td>
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<td>16 x 1 br</td>
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QUESTIONS ON NOTICE
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<th>Suburb</th>
<th>Dwelling type</th>
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<td>Affordable Management Corporation</td>
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Senator Abetz asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice on 4 July 2011:

With reference to the answer to question on notice no. 670, relating to the United Nations Framework Convention on Climate Change to be held in Durban South Africa, in December 2011 (COP 17):

(1) (a) On what assumptions was the estimate of $245 104.60 based, in relation to the:
   (i) numbers of officers,
   (ii) numbers of nights,
   (iii) costs of accommodation, and
   (iv) possible type and grade of hotels or other accommodation; and
(b) can copies of the detailed quotes, provided by the COP 17 accommodation service provider in January 2011 be supplied.

(2) Have any preliminary estimates, inquiries or responses pertaining to the number of possible attendees been made; if so:
   (a) what numbers of attendees have been mooted; and
   (b) what departments and agencies would they represent.

(3) Has the size and composition of the delegation which attended the Copenhagen climate change conference been at any stage used as a benchmark for determining the size of the delegation to the Durban convention.

(4) What travel allowance rates will be applicable for this travel.

(5) What class of air travel will attendees be entitled to receive.

(6) Does the Government endeavour to reduce the cost of air travel when large numbers of Australian delegates attend such conferences; if so:
   (a) by what means; and
   (b) what are the expected savings.
Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator's question:

With reference to the answer to question on notice no. 670, relating to the United Nations Framework Convention on Climate Change Conference of Parties (COP) to be held in Durban South Africa, in December 2011 (COP 17):

(1) (a) The estimate of $245,104.60 for accommodation was based on:

(i) An estimated delegation size similar to the previous COPs in 2008 and 2010 (an approximate average of 40 delegates).

(ii) Accommodation for:
- single rooms for the full delegation for the length of the COP meeting (26 November to 10 December);
- an additional 20 single rooms for anticipated pre-Conference meetings (commencing around 23 and 24 November 2011, but yet to be confirmed); and
- an Executive Room for the Minister for the second week of COP17 (2 to 10 December 2011).

The preliminary booking made in January 2011 was for 50 single rooms plus an Executive Room. This booking has since been revised with a reduction in rooms required down to 36 single rooms and two Executive room (based on advice from other agencies on their anticipated requirements).

(iii) A nightly rate (inclusive of breakfast and 1 per cent Tourism Levy but exclusive of 14 per cent VAT) of:
- R1950 (or approx AUD$275) for a standard single room; and
- R3250 (or approx AUD $455) for an Executive room.

(iv) The hotel contracted by the Australian Government to accommodate the Australian delegation in Durban during COP 17 is the Coastlands Hotel and Convention Centre (Coastlands Umhlanga) in Durban. The Coastlands Umhlanga is a 4 star rated hotel that was considered to be:
- located within an appropriate distance from the COP17 venue;
- had the requisite number of rooms available; and
- was considered to be in an appropriate price range.

The Department of Climate Change and Energy Efficiency (DCCEE) was advised by the Australian High Commission in Pretoria, that there was a limited supply of suitable hotel within an appropriate distance that were considered to be suitable (taking into account amenities and security considerations). The South African Government has offered a range of accommodation options for the COP 17 but many of these were either already fully booked, too far from the COP 17 venue, too expensive, or not suitable (‘bed and breakfast’ or university accommodation).

(b) A copy of the detailed quote, provided by the COP 17 accommodation service provider in January 2011 is at Attachment A.

(2) Preliminary estimates in relation to the number of officers on the Australian Delegation were made based on:

(a) an estimated delegation size similar to the previous COPs in 2008 and 2010; and

(b) a delegation based around previous Departmental representation at COPs, including representatives from other agencies such as the Departments of Foreign Affairs and Trade (DFAT), Resources, Energy and Tourism (DRET), Agriculture, Fisheries and Forestry (DAFF), AusAID and the Bureau of Meteorology.
(3) The estimated size and composition of the delegation to Durban has been based on delegations to Poznan (COP14) and Cancun (COP16), not Copenhagen (COP15). The estimate does not reflect any requirements for a Head of State involvement in the COP.

(4) Travel allowance rates have not yet been calculated for this travel, but will be estimated based on the Employment Conditions Abroad (ECA), as advised by the DFAT.

(5) When travelling internationally, all DCCEE officials travel business class where available, consistent with the current DCCEE Travel Policy (July 2011).

(6) (a) The Government will aim to reduce the cost of air travel by making early bookings where possible for likely delegates from DCCEE.

(b) The estimates for any savings cannot be calculated this far in advance of the COP17 meeting.

Attachment A

Scatterlings
Conference & Events
31st January 2011

Thank you for your enquiry for accommodation for the COP 17 Conference.
We have the pleasure in presenting the following proposal. We are have provisionally made the reservation for your delegation.

Confirmation
In order to secure this reservation, please return to us a signed copy of this contract by 3rd February 2011, this will indicate irrevocable confirmation of the above details. The 50% deposit payment will be required within 30 days from invoice. Invoice to follow the signed proposal.

Client Details:
Company Name : Australia: Department of Climate Change and Energy efficiency
Name of Authorized Signatory :
Designation of Signatory :
Email Address :
Postal Address: GPO Box 854, Canberra ACT 2600
Physical Address:

Details of Booking:
Hotel: Coastlands Hotel and Convention Center
Address: 329 Umhlanga Rocks Drive, Umhlanga Durban

Scatterlings
Conference & Events
Accommodation
Arrival date: 23rd November 2011
Departure date: 10th December 2011

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QUESTIONS ON NOTICE
Accommodation

Arrival date: 24th November 2011
Departure date: 10th December 2011

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Accommodation

Arrival date: 26th November 2011
Departure date: 10th December 2011

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Accommodation

Arrival date: 2nd December 2011
Departure date: 10th December 2011

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Total accommodation cost excluding VAT: R 1 488 500-00
VAT @ 14%: R 208 390-00
Total accommodation cost inclusive of VAT: R 1 696 890-00
Tourism Tax inclusive of VAT: R 16 968-90
Grand Total inclusive of VAT: R 1 713 858-90

Includes:

Rate is per person per night, Bed and breakfast

Please note check in is from 14h00 and check out before 10h00. Please advise us should you require an early arrival or late departure. However this will be subject to availability, but we will endeavour to meet such requirements.

Rate includes a 1% Tourism Levy which is payable on departure

Payment schedule:
50% deposit 30 days from invoice: R856 929-45
50% balance by 25 July 2011: R856 929-45

Scatterlings

Conference & Events

TERMS AND CONDITIONS:

1. Accommodation will only be confirmed once payment and signed proposal has been received. Purchase orders, letter of intent or similar are not considered payment.
2. Confirmation of the booking is required in writing to rowan@soafrica.com. Once the signed booking confirmation is received, an invoice will be issued for the deposit amount.
3. A 50% deposit will be due within 30 days from date of invoice.
4. Once the deposit has been received, a reservation number will be issued and the booking will be confirmed.
5. The deposit amount will be 50% of the Total amount due for the entire booking.
6. The deposit amount is non-refundable

7. For bookings made and confirmed within 90 days of the arrival date, the full accommodation amount due for the entire booking will be paid in order to confirm the booking.

8. Reductions & Penalties:
   a. Any reductions made between the booking date (Contract signature date) and 25 July 2011 will not attract a cancellation penalty. Any reductions made between 26 July 2011 and 90 days prior to arrival will attract penalty equal to 30% of the cancellation value
   b. Any reductions made within 90 days of the arrival date will attract a 100% cancellation penalty

9. All payments will be paid into a South African Bank account. Details on invoice

10. Invoiced amount is for bank transfer only; Credit Cards attract a 6% levy.

11. Check-in time is 14:00 and check-out time is 10:00 for all hotels

12. The Terms & Conditions are binding under South African Law

Should you require any further information on the above please do not hesitate to contact us. We will however follow up with you in the next two days.

Yours sincerely
Rowan Moss
Managing Director

Proposal acceptance:
Name  Designation  Date

Defence: Strategic Reform Program
(Question No. 741)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

For the period 1 January to 30 June 2011, what specific savings have been made in the Strategic Reform Program (SRP) 'Provisional Savings and Costs – SRP Stream Net Savings' for:

(a) information and communications technology;
(b) inventory;
(c) smart maintenance;
(d) logistic;
(e) non-equipment procurement;
(f) preparedness and personnel and operating costs;
(g) Reserves;
(h) shared services; and
(i) workforce.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

The Strategic Reform Program (SRP) savings achieved per reform stream in the 2010-11 financial year are still being finalised. The Department will publish the stream cost reductions achieved under SRP in the Defence Annual Report which is expected to be released in late 2011.
Defence: Submarines
(Question No. 753)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

(1) For the period 1 January to 30 June 2011: (a) which submarines in the Royal Australian Navy (RAN) fleet were non-operational; and (b) for each submarine that was non-operational, what was the reason for its non-operational status.

(2) For the period 1 January to 30 June 2011, which submarines in the RAN fleet were: (a) fully operational and ready to respond to ‘war like’ situations; and (b) for what periods.

(3) What was the cost of maintaining the six submarines for the periods:
(a) 1 January to 30 June 2011; and (b) 1 July 2010 to 30 June 2011.

(4) What was the total cost of operating the six submarines for the periods:
(a) 1 January to 30 June 2011; and (b) 1 July 2010 to 30 June 2011.

(5) What was the total cost of upgrading the six submarines for the periods:
(a) 1 January to 30 June 2011; and (b) 1 July 2010 to 30 June 2011.

(6) What were the crewing complements for each of the six submarines for each month in the periods: (a) 1 January to 30 June 2011; and (b) 1 July 2010 to 30 June 2011.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) (a) and (b) From 1 January to 30 June 2011, the following submarines were not in their operating cycles during the periods and for the reasons indicated:
(i) HMAS Collins was undergoing Certification Extension Docking maintenance throughout.
(ii) HMAS Farncomb was undergoing an Intermediate Docking and unscheduled maintenance until late June.
(iii) HMAS Sheean was in Full Cycle Docking throughout.
(iv) HMAS Rankin was also in Full Cycle Docking throughout.

(2) Details of the readiness of the submarine fleet are not disclosed in public for reasons of operational and national security.

(3) Total expenditure in maintaining the six submarines for the period:
(a) 1 January to 30 June 2011 was $262.8m, and
(b) 1 July 2010 to 30 June 2011 was $415.8m.

Notes:
1. Financial Reporting Directorate, DMO has not finalised their assurance review of accruals reported by Branches.
2. Some invoices for work performed in June 2010 remain outstanding.
3. DMO Financial System hard close has not yet occurred.

(4) The cost of operating the six Collins Class Submarines for the period:
(a) 1 January to 30 June 2011 was $76.8m, and
(b) 1 July 2010 to 30 June 2011 was $153.3m.

(5) The cost of upgrading the six Collins Class Submarines for the period:
(a) 1 January to 30 June 2011 was $24m, and
(b) 1 July 2010 to 30 June 2011 was $57.6m.

Note:
1. DMO Financial System hard close has not yet occurred.

(6) (a) Crewing complements for each of the six submarines for each month in the period 1 January to 30 June 2011 were as follows:
(i) HMAS Collins – not crewed throughout.
(ii) HMAS Farncomb – full complement throughout.
(iii) HMAS Waller – full complement throughout.
(iv) HMAS Dechaineux – full complement throughout.
(v) HMAS Sheean – not crewed throughout.
(vi) HMAS Rankin – not crewed throughout.

(b) Crewing complements for each of the six submarines for each month in the period 1 July 2010 to 30 June 2011 were as follows:
(i) HMAS Collins – full complement from July to December 2010 and then not crewed for the remainder of the period.
(ii) HMAS Farncomb – not crewed from July to December 2010 and then full complement for the remainder of the period.
(iii) HMAS Waller – full complement throughout.
(iv) HMAS Dechaineux – full complement throughout.
(v) HMAS Sheean – not crewed throughout.
(vi) HMAS Rankin – not crewed throughout.

**Defence: Budget Audit Review**

(Question No. 795)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Human Resources area, in achieving the Gap to Average Performance, as identified in the Budget Audit Review, what yearly savings have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."
The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

Defence: Budget Audit Review
(Question No. 814)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Non-Equipment Procurement area, if the Gap to Average Performance could be achieved, as identified in the Budget Audit Review, what yearly savings could have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."
Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

*(Question No. 815)*

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Non-Equipment Procurement area, in achieving the Gap to Average Performance, as identified in the Budget Audit Review, what yearly savings have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister’s answer stated that,

*The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the "direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)”*

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort...”*

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.
Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

(Question No. 816)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Non-Equipment Procurement area, if the Gap to Top Quartile Performance could be achieved, as identified in the Budget Audit Review, what yearly savings could have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.
Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

(Question No. 817)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Non-Equipment Procurement area, in achieving the Gap to Top Quartile Performance, as identified in the Budget Audit Review, what yearly savings have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)"

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.
Defence: Budget Audit Review  
(Question No. 818)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Non-Equipment Procurement area, if the Gap to Average Performance could be achieved, as identified in the Budget Audit Review, what total savings could have been made since 2008-09.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

Defence: Budget Audit Review  
(Question No. 819)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Non-Equipment Procurement area, in achieving the Gap to Average Performance, as identified in the Budget Audit Review, what total savings have been made since 2008-09.
Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

Defence: Budget Audit Review

(Question No. 820)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Non-Equipment Procurement area, if the Gap to Top Quartile Performance could be achieved, as identified in the Budget Audit Review, what total savings could have been made since 2008-09.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500
international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

(Question No. 821)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Non-Equipment Procurement area, in achieving the Gap to Top Quartile Performance, as identified in the Budget Audit Review, what total savings have been made since 2008-09.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics..."

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform
"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

*(Question No. 824)*

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

The levels of employment in the Information and Communication Technologies area, if the Gap to Average Performance could be achieved, as identified in the Budget Audit Review, what yearly savings could have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the "direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)"

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have
previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

(Question No. 825)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, 5 July 2011:

In regard to the levels of employment in the Information and Communication Technologies area, in achieving the Gap to Average Performance, as identified in the Budget Audit Review, what yearly savings have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the "direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)"

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform "detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following...
finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

*(Question No. 826)*

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Information and Communication Technologies area, if the Gap to Top Quartile Performance could be achieved, as identified in the Budget Audit Review, what yearly savings could have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics"

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort..."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.
Defence: Budget Audit Review  
(Question No. 827)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the levels of employment in the Information and Communication Technologies area, in achieving the Gap to Top Quartile Performance, as identified in the Budget Audit Review, what yearly savings have been made since 2008-09 at each of the following levels: (a) below E-1; (b) at E-1 and E-2; (c) at SES 1; (d) at SES 2; and (e) at SES 3.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

"direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)"

The Report recommends that the "performance gaps" identified by the benchmarking exercise be regarded only as a guide to potential opportunities for savings costs across the functions examined, and not as firm targets to be implemented immediately. The DBA Report advised Defence to perform

"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort...”

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

Defence is reporting bi-annually to government on progress towards agreed SRP outcomes, including the achievement of annual cost reductions. The achievement during first year of SRP implementation is detailed in the 2009-10 Defence Annual Report. Defence is due to report to Government on its SRP performance during 2010-11 in the second half of this year, following finalisation of its financial statements. Details on the achievement of 2010-11 cost reduction targets will be included in the 2010-11 Annual Report.

Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.
Defence: Budget Audit Review
(Question No. 828)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Information and Communication Technologies area, if the Gap to Average Performance could be achieved, as identified in the Budget Audit Review, what total savings could have been made since 2008-09.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

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Defence: Budget Audit Review
(Question No. 829)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:
In regard to the Information and Communication Technologies area, in achieving the Gap to Average Performance, as identified in the Budget Audit Review, what total savings have been made since 2008-09.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator’s question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the "direct applicability of broad benchmarks to the Defence environment (given its specific characteristics...)"

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Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

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Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review  
(Question No. 830)**

**Senator Johnston** To ask the Minister representing the Minister for Defence—

In regard to the Information and Communication Technologies area, if the Gap to Top Quartile Performance could be achieved, as identified in the Budget Audit Review, what total savings could have been made since 2008-09.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,
The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

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"detailed work on translating...potential opportunity [identified by the benchmarking exercise] to specific targets, as part of an implementation planning effort...."

Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

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Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Defence: Budget Audit Review**

(Question No. 831)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

In regard to the Information and Communication Technologies area, in achieving the Gap to Top Quartile Performance, as identified in the Budget Audit Review, what total savings have been made since 2008-09.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

These questions have already been answered in the Budget Estimates response on the Budget Audit Review asked in writing by Senator Johnston. The Minister's answer stated that,

The "performance gaps" described in sections 7.3 and 7.4 of the 2008 Defence Budget Audit (DBA) Report are based on a comparison of the delivery of Defence enterprise support functions against a database compiled by McKinsey and Company (which is based on employee data for more than 500 international organisations across a range of industries and locations). The authors of the Report note that the methodology is subject to significant limitations to the

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Defence undertook the diagnostic work recommended in the Report. This exhaustive process led to the ten-year cost reduction targets under the various SRP streams (including those that capture HR, Non-equipment Procurement and ICT support functions) that were agreed by Government and have previously been published by Defence. Defence therefore reports against these more robust targets, rather than against the gaps (or potential opportunities) initially identified.

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Defence notes that the Government has committed to a five-year rolling program of White Papers. As part of this process a new DBA will be commissioned to inform the development of the next paper. It is likely that this audit would re-consider the performance of support functions against appropriate benchmarks, and thus provide an update on improvements in Defence efficiency.

**Resources and Energy**

(Question No. 842)

**Senator Ludlam** asked the Minister for Resources and Energy, upon notice, on 21 July 2011:

In regard to the attendance of departmental personnel at the Berri Barmera Council meeting held in Berri, South Australia, on 19 April 2011:

(1) Were the representatives from the department invited by the council or did the department offer or request a place on the council meeting agenda.

(2) Have any other councils in any state or territory been given similar deputations; if so, when and where did these occur.

(3) Are there plans or has there been discussion regarding similar presentations to be given to other councils; if so, when and where.

(4) Since the 19 April 2011 meeting in Berri, has there been any further correspondence between the department and the Berri Barmera Council; if so, can a copy of this correspondence be provided.

(5) Can a copy of the notes or presentations used by the departmental representatives to address the Berri Barmera Council be provided.

(6) Can a copy of the report given to the Minister following the deputation be provided.

**Senator Sherry:** The Minister for Resources and Energy has provided the following response to the honourable senator's question:

(1) The Council invited Commonwealth officers to attend a Council meeting in response to my offer of an authoritative briefing on transport of radioactive materials.

(2) Yes. Palmerston (NT) Council was briefed on transport of radioactive materials on 5 July 2011.

(3) No.

(4) No.
(5) Yes. Copy attached
(6) Yes. Copy attached

Prime Minister and Cabinet: Media Staffing
(Question No. 845)

Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 25 July 2011:

1. Has the Prime Minister or anyone in the Prime Minister’s office offered any direction or advice to Ministers on how to structure their media staff:
   a. if so, who offered direction or advice and to which Ministers; and
   b. what advice was given.

2. Is the Prime Minister or anyone in the Prime Minister’s office aware of any direction or advice being given to Ministers on how to structure their media staff:
   a. if so, who offered direction or advice and to which Ministers; and
   b. what advice was given.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator’s question:

The assignment of particular duties to individual staff members is a matter for ministers and their chiefs of staff.

Families, Housing, Community Services and Indigenous Affairs: Departmental Reports
(Question No. 848)

Senator Abetz asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 25 July 2011:

1. How many contracts were issued for variations or additional work on departmental reports in the 2010-11 Financial Year, and:
   a. what was the title of each report;
   b. what was the total cost for each variation; and
   c. what was the reason for each variation.

2. With reference to Contract Notice CN263388 which identifies additional work being done on a report at a cost of $10,183, what was the title of this report, and:
   a. what was the total cost of producing the report;
   b. what was the reason for varying this report;
   c. how many variations were there; and
   d. what was the reason for each variation.

Senator Arbib: The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

1. (a) (b) and (c) The Department publishes details of all its contract arrangements including variations on the Austender website. The Department does not keep a central register on the number of variations or additional works undertaken on existing departmental reports and obtaining this information would consume a high level of resources. The Department is able to provide information that relates to any specific contract such as the response to question 2 below.

QUESTIONS ON NOTICE
(2) The title of the report was Closing the Gap: Prime Minister’s Report 2010.
(a) Printing by Canprint, under contract number CN263388, totalled $10,186.00 inclusive of GST.
(b) Increase page numbers from original 36pp and cover to 72pp and cover.
(c) One variation.
(d) Increase page numbers from original 36 pp and cover to 72pp and cover.

**Government Departments: Staffing**

(Question Nos 849 to 890)

**Senator Abetz** asked the Minister representing the Prime Minister, Minister representing the Treasurer, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Minister for Broadband, Communications and the Digital Economy, Minister representing the Minister for Regional Australia, Regional Development and Local Government, Minister representing the Minister for the Arts, Minister representing the Minister for Foreign Affairs, Minister representing the Minister for Defence, Minister representing the Minister for Immigration and Citizenship, Minister representing the Minister for Infrastructure and Transport, Minister representing the Minister for Defence, Minister representing the Minister for Immigration and Citizenship, Minister representing the Minister for Health and Ageing, Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, Minister for Finance and Deregulation, Minister representing the Minister for School Education, Early Childhood and Youth, Minister for Innovation, Industry, Science and Research, Minister representing the Attorney-General, Minister for Agriculture, Fisheries and Forestry, Minister representing the Minister for Resources and Energy, Minister representing the Minister for Tourism, Minister representing the Minister for Trade, Minister representing the Minister for Climate Change and Energy Efficiency, Minister representing the Minister for Social Inclusion, Minister representing the Minister for Human Services, Minister representing the Minister for Justice, Minister representing the Minister for Employment Participation and Childcare, Minister representing the Minister for the Status of Women, Minister for Sport, Minister for Indigenous Employment and Economic Development, Minister for Social Housing and Homelessness, Minister for Small Business, Minister representing the Minister for Veterans' Affairs, Minister representing the Minister for Defence Science and Personnel, Minister representing the Minister for Indigenous Health, Minister representing the Assistant Treasurer, Minister representing the Minister for Financial Services and Superannuation, Minister representing the Minister for Mental Health and Ageing, Minister representing the Special Minister of State for the Public Service and Integrity, Minister representing the Special Minister of State, Minister representing the Minister for Defence Materiel, Minister representing the Minister for Privacy and Freedom of Information and the Minister representing the Minister for Home Affairs, upon notice, on 25 July 2011:

(1) How many staff in each office have duties relating to working with the media; and can a breakdown be provided of the media duties each staff member performs; and at what level is each staff member with media duties paid.

(2) What is the rationale for having more than 1 staff member with media duties.
Senator Wong: The Special Minister of State has supplied the following answer to the honourable senator's question:

I am advised of the following:

(1) Documents detailing the number and classifications of personal staff positions allocated to each Minister and Parliamentary Secretary, including Senior Media Adviser and Media Adviser positions, were tabled by the Department of Finance and Deregulation at its Budget Estimates hearing on 26 May 2011. The documents are available at:


This information is regularly tabled at each Senate Standing Committee on Finance and Public Administration hearing, and is publicly available on the Parliament of Australia Senate website at www.aph.gov.au/SENATE/estimates/index.htm.

(a) The allocation of ministerial staff positions is based on the requirements of individual portfolios. The assignment of particular duties to individual staff members is a matter for Ministers and their chiefs of staff.

(b) The salary range for Senior Media Adviser and Media Adviser positions is set out in the Commonwealth Members of Parliament Staff Enterprise Agreement 2010-2012. This document is available at:


(2) The allocation of ministerial staff positions is based on the requirements of individual portfolios. The assignment of particular duties to individual staff members is a matter for ministers and their chiefs of staff.

Tertiary Education, Skills, Jobs and Workplace Relations: Penalty Rates

(Question No. 895)

Senator Abetz asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 29 July 2011:

With reference to award penalty rates, is it correct that a baker employed by a wholesale bakery can commence work two hours earlier than the normal award hour, namely 5:00 am without being required to be paid penalties for the whole shift, whereas if a baker doing exactly the same work but for a retailer is so engaged, penalties have to be paid for the whole shift for the baker in the retail bakery.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

From 1 January 2010, the General Retail Industry Award 2010 [MA000004] provides coverage for a baker employed by a retail bakery. The Food, Beverage and Tobacco Manufacturing Award 2010 [MA000073] provides coverage for a baker employed by a wholesale bakery.

An employee engaged by an employer who is covered by the General Retail Industry Award 2010, cannot be covered by the Food, Beverage and Tobacco Manufacturing Award 2010.

The General Retail Industry Award 2010 provides an entitlement to two hours at overtime rates (150%) for a baker working from 5:00 am to 7:00 am (work from 7:00 am onwards would be paid at the ordinary rate) Monday to Friday. Alternatively, if the baker is classified as a shiftworker, there is an entitlement to a 12.5% shift allowance, for a shift starting at 5:00 am. This is paid for the entire shift. Different penalties apply for work performed on Saturdays and Sundays.

The Food, Beverage and Tobacco Manufacturing Award 2010 provides an entitlement to one hour at overtime penalty rates (150%) for a baker working from 5:00 am to 6:00 am (work from 6:00 am onwards would be paid at the ordinary rate) Monday to Friday. Alternatively, if the baker is classified as a shiftworker, there is an entitlement to a 12.5% early morning shift loading. The loading is payable for the entire shift. Different penalties apply for work performed on Saturdays and Sundays.
However, clause 30.2 (c) of the Food, Beverage and Tobacco Manufacturing Award 2010 also provides that the ordinary spread of hours (6.00am to 6.00pm) can be altered by up to one hour at either end of the spread, by agreement between an employer and the majority of employees concerned or, in appropriate circumstances, between the employer and an individual employee. Where agreement is sought between the employer and an individual employee, the employer cannot have asked the group of employees as a whole to agree to the variation and the agreement can only be formed with less than half the employees in the affected area. Where an agreement is reached, the employer is required to keep a time and wage record of the agreement.