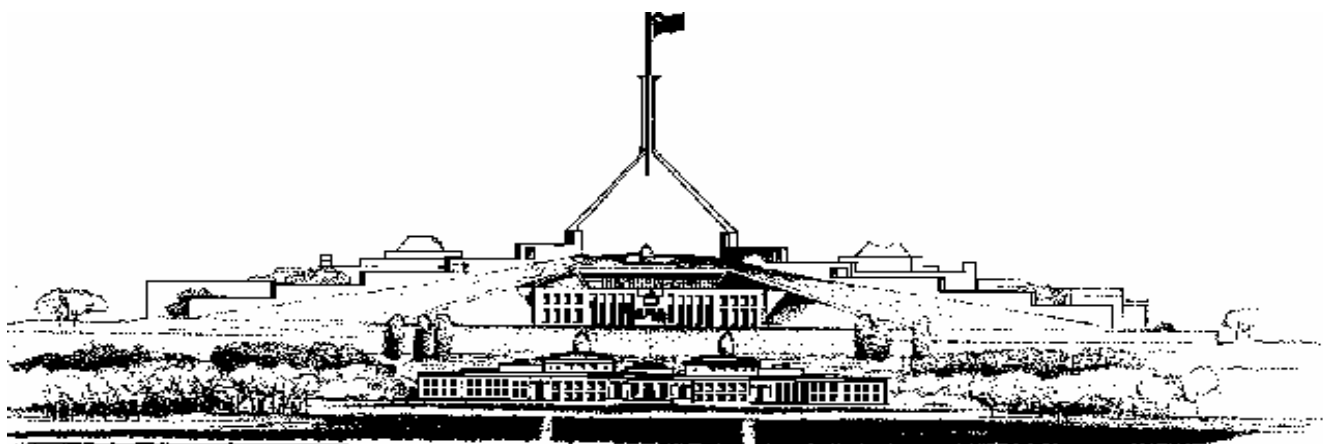




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



**Senate**

**Official Hansard**

**No. 5, 2009**

**Wednesday, 13 May 2009**

FORTY-SECOND PARLIAMENT  
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE SENATE



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### **SITTING DAYS—2009**

Month	Date
February	3, 4, 5, 9, 10, 11, 12
March	10, 11, 12, 16, 17, 18, 19
May	12, 13, 14
June	15, 16, 17, 18, 22, 23, 24, 25
August	11, 12, 13, 17, 18, 19, 20
September	7, 8, 9, 10, 14, 15, 16, 17
October	26, 27, 28, 29
November	16, 17, 18, 19, 23, 24, 25, 26

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**FORTY-SECOND PARLIAMENT  
FIRST SESSION—FIFTH PERIOD**

**Governor-General**

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

**Senate Officeholders**

*President*—Senator Hon. John Joseph Hogg

*Deputy President and Chair of Committees*—Senator Hon. Alan Baird Ferguson

*Temporary Chairs of Committees*—Senators Guy Barnett, Cory Bernardi,

Thomas Mark Bishop, Carol Louise Brown, Patricia Margaret Crossin,

Michael George Forshaw, Gary John Joseph Humphries, Annette Kay Hurley,

Stephen Patrick Hutchins, Gavin Mark Marshall, Julian John James McGauran,

Claire Mary Moore, Stephen Shane Parry, Hon. Judith Mary Troeth and Russell Brunell Trood

*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. Nicholas Hugh Minchin

*Deputy Leader of the Opposition in the Senate*—Senator Hon. Eric Abetz

*Manager of Government Business in the Senate*—Senator Hon. Joseph William Ludwig

*Manager of Opposition Business in the Senate*—Senator Stephen Shane Parry

**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. Nicholas Hugh Minchin

*Deputy Leader of the Liberal Party of Australia*—Senator Hon. Eric Abetz

*Leader of the Nationals*—Senator Barnaby Thomas Gerard Joyce

*Deputy Leader of the Nationals*—Senator Fiona Nash

*Leader of the Australian Greens*—Senator Robert James Brown

*Deputy Leader of the Australian Greens*—Senator Christine Anne Milne

*Leader of the Family First Party*—Senator Steve Fielding

*Chief Government Whip*—Senator Kerry Williams Kelso O'Brien

*Deputy Government Whips*—Senators Donald Edward Farrell and Anne McEwen

*Chief Opposition Whip*—Senator Stephen Shane Parry

*Deputy Opposition Whips*—Senators Judith Anne Adams and David Christopher Bushby

*The Nationals Whip*—Senator John Reginald Williams

*Australian Greens Whip*—Senator Rachel Mary Siewert

*Family First Party Whip*—Senator Steve Fielding

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### Members of the Senate

Senator	State or Territory	Term expires	Party
Abetz, Hon. Eric	TAS	30.6.2011	LP
Adams, Judith Anne	WA	30.6.2011	LP
Arbib, Mark Victor	NSW	30.6.2014	ALP
Back, Christopher John <sup>(3)</sup>	WA	30.6.2011	LP
Barnett, Guy	TAS	30.6.2011	LP
Bernardi, Cory	SA	30.6.2014	LP
Bilyk, Catryna Louise	TAS	30.6.2014	ALP
Birmingham, Simon John	SA	30.6.2014	LP
Bishop, Thomas Mark	WA	30.6.2014	ALP
Boswell, Hon. Ronald Leslie Doyle	QLD	30.6.2014	NATS
Boyce, Suzanne Kay	QLD	30.6.2014	LP
Brandis, Hon. George Henry, SC	QLD	30.6.2011	LP
Brown, Carol Louise	TAS	30.6.2014	ALP
Brown, Robert James	TAS	30.6.2014	AG
Bushby, David Christopher	TAS	30.6.2014	LP
Cameron, Douglas Niven	NSW	30.6.2014	ALP
Carr, Hon. Kim John	VIC	30.6.2011	ALP
Cash, Michaelia Clare	WA	30.6.2014	LP
Colbeck, Hon. Richard Mansell	TAS	30.6.2014	LP
Collins, Jacinta Mary Ann	VIC	30.6.2014	ALP
Conroy, Hon. Stephen Michael	VIC	30.6.2011	ALP
Coonan, Hon. Helen Lloyd	NSW	30.6.2014	LP
Cormann, Mathias Hubert Paul <sup>(2)</sup>	WA	30.6.2011	LP
Crossin, Patricia Margaret <sup>(4)</sup>	NT		ALP
Eggleston, Alan	WA	30.6.2014	LP
Evans, Hon. Christopher Vaughan	WA	30.6.2011	ALP
Farrell, Donald Edward	SA	30.6.2014	ALP
Faulkner, Hon. John Philip	NSW	30.6.2011	ALP
Feeney, David Ian	VIC	30.6.2014	ALP
Ferguson, Hon. Alan Baird	SA	30.6.2011	LP
Fielding, Steve	VIC	30.6.2011	FF
Fierravanti-Wells, Concetta Anna	NSW	30.6.2011	LP
Fifield, Mitchell Peter	VIC	30.6.2014	LP
Fisher, Mary Jo <sup>(1)</sup>	SA	30.6.2011	LP
Forshaw, Michael George	NSW	30.6.2011	ALP
Furner, Mark Lionel	QLD	30.6.2014	ALP
Hanson-Young, Sarah Coral	SA	30.6.2014	AG
Heffernan, Hon. William Daniel	NSW	30.6.2011	LP
Hogg, Hon. John Joseph	QLD	30.6.2014	ALP
Humphries, Gary John Joseph <sup>(4)</sup>	ACT		LP
Hurley, Annette Kay	SA	30.6.2011	ALP
Hutchins, Stephen Patrick	NSW	30.6.2011	ALP
Johnston, Hon. David Albert Lloyd	WA	30.6.2014	LP
Joyce, Barnaby Thomas Gerard	QLD	30.6.2011	NATS
Kroger, Helen	VIC	30.6.2014	LP
Ludlam, Scott	WA	30.6.2014	AG
Ludwig, Hon. Joseph William	QLD	30.6.2011	ALP
Lundy, Kate Alexandra <sup>(4)</sup>	ACT		ALP

Senator	State or Territory	Term expires	Party
Macdonald, Hon. Ian Douglas	QLD	30.6.2014	LP
McEwen, Anne	SA	30.6.2011	ALP
McGauran, Julian John James	VIC	30.6.2011	LP
McLucas, Hon. Jan Elizabeth	QLD	30.6.2011	ALP
Marshall, Gavin Mark	VIC	30.6.2014	ALP
Mason, Hon. Brett John	QLD	30.6.2011	LP
Milne, Christine Anne	TAS	30.6.2011	AG
Minchin, Hon. Nicholas Hugh	SA	30.6.2011	LP
Moore, Claire Mary	QLD	30.6.2014	ALP
Nash, Fiona Joy	NSW	30.6.2011	NATS
O'Brien, Kerry Williams Kelso	TAS	30.6.2011	ALP
Parry, Stephen Shane	TAS	30.6.2011	LP
Payne, Marise Ann	NSW	30.6.2014	LP
Polley, Helen Beatrice	TAS	30.6.2011	ALP
Pratt, Louise Clare	WA	30.6.2014	ALP
Ronaldson, Hon. Michael	VIC	30.6.2011	LP
Ryan, Scott Michael	VIC	30.6.2014	LP
Scullion, Hon. Nigel Gregory <sup>(4)</sup>	NT		CLP
Sherry, Hon. Nicholas John	TAS	30.6.2014	ALP
Siewert, Rachel Mary	WA	30.6.2011	AG
Stephens, Hon. Ursula Mary	NSW	30.6.2014	ALP
Sterle, Glenn	WA	30.6.2011	ALP
Troeth, Hon. Judith Mary	VIC	30.6.2011	LP
Trood, Russell Brunell	QLD	30.6.2011	LP
Williams, John Reginald	NSW	30.6.2014	NATS
Wong, Hon. Penelope Ying Yen	SA	30.6.2014	ALP
Wortley, Dana Johanna	SA	30.6.2011	ALP
Xenophon, Nicholas	SA	30.6.2014	IND

- (1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.  
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.  
(3) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Christopher Martin Ellison, resigned.  
(4) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

#### PARTY ABBREVIATIONS

AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Liberal Party;  
FF—Family First Party; LP—Liberal Party of Australia; NATS—The Nationals

#### **Heads of Parliamentary Departments**

Clerk of the Senate—H Evans

Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—A Thompson

## **RUDD MINISTRY**

Prime Minister	Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion	Hon. Julia Gillard, MP
Treasurer	Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate	Senator Hon. Chris Evans
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council	Senator Hon. John Faulkner
Minister for Finance and Deregulation	Hon. Lindsay Tanner MP
Minister for Trade	Hon. Simon Crean MP
Minister for Foreign Affairs	Hon. Stephen Smith MP
Minister for Defence	Hon. Joel Fitzgibbon MP
Minister for Health and Ageing	Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs	Hon. Jenny Macklin MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House	Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate	Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research	Senator Hon. Kim Carr
Minister for Climate Change and Water	Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts	Hon. Peter Garrett AM, MP
Attorney-General	Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate	Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry	Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism	Hon. Martin Ferguson AM, MP

**[The above ministers constitute the cabinet]**



### **RUDD MINISTRY—*continued***

Minister for Home Affairs	Hon. Bob Debus MP
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs	Hon. Chris Bowen MP
Minister for Veterans' Affairs	Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women	Hon. Tanya Plibersek MP
Minister for Employment Participation	Hon. Brendan O'Connor MP
Minister for Defence Science and Personnel	Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation	Hon. Dr Craig Emerson MP
Minister for Superannuation and Corporate Law	Senator Hon. Nick Sherry
Minister for Ageing	Hon. Justine Elliot MP
Minister for Youth and Minister for Sport	Hon. Kate Ellis MP
Parliamentary Secretary for Early Childhood Education and Childcare	Hon. Maxine McKew MP
Parliamentary Secretary for Climate Change	Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water	Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Regional Development and Northern Australia	Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction	Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance	Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs	Hon. Duncan Kerr MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade	Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector	Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Health and Ageing	Senator Hon. Jan McLucas
Parliamentary Secretary for Multicultural Affairs and Settlement Services	Hon. Laurie Ferguson MP
Parliamentary Secretary for Government Service Delivery	Senator Hon. Mark Arbib

## SHADOW MINISTRY

Leader of the Opposition	The Hon Malcolm Turnbull MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition	The Hon Julie Bishop MP
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals	The Hon Warren Truss MP
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate	Senator the Hon Nick Minchin
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate	Senator the Hon Eric Abetz
Shadow Treasurer	The Hon Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House	The Hon Christopher Pyne MP
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design	The Hon Andrew Robb AO, MP
Shadow Minister for Finance, Competition Policy and Deregulation	Senator the Hon Helen Coonan
Shadow Minister for Human Services and Deputy Leader of The Nationals	Senator the Hon Nigel Scullion
Shadow Minister for Energy and Resources	The Hon Ian Macfarlane MP
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs	The Hon Tony Abbott MP
Shadow Special Minister of State and Shadow Cabinet Secretary	Senator the Hon Michael Ronaldson
Shadow Minister for Climate Change, Environment and Water	The Hon Greg Hunt MP
Shadow Minister for Health and Ageing	The Hon Peter Dutton MP
Shadow Minister for Defence	Senator the Hon David Johnston
Shadow Attorney-General	Senator the Hon George Brandis SC
Shadow Minister for Agriculture, Fisheries and Forestry	The Hon John Cobb MP
Shadow Minister for Employment and Workplace Relations	Mr Michael Keenan MP
Shadow Minister for Immigration and Citizenship	The Hon Dr Sharman Stone
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts	Mr Steven Ciobo

**[The above constitute the shadow cabinet]**

### **SHADOW MINISTRY—*continued***

Shadow Minister for Financial Services, Superannuation and Corporate Law	The Hon Chris Pearce MP
Shadow Assistant Treasurer	The Hon Tony Smith MP
Shadow Minister for Sustainable Development and Cities	The Hon Bruce Billson MP
Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House	Mr Luke Hartsuyker MP
Shadow Minister for Housing and Local Government	Mr Scott Morrison
Shadow Minister for Ageing	Mrs Margaret May MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence	The Hon Bob Baldwin MP
Shadow Minister for Veterans' Affairs	Mrs Louise Markus MP
Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth	Mrs Sophie Mirabella MP
Shadow Minister for Justice and Customs	The Hon Sussan Ley MP
Shadow Minister for Employment Participation, Training and Sport	Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Northern Australia	Senator the Hon Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport	Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development	Mr John Forrest MP
Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs	Senator Marise Payne
Shadow Parliamentary Secretary for Energy and Resources	Mr Barry Haase MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector	Senator Mitch Fifield
Shadow Parliamentary Secretary for Water Resources and Conservation	Mr Mark Coulton MP
Shadow Parliamentary Secretary for Health Administration	Senator Mathias Cormann
Shadow Parliamentary Secretary for Defence	The Hon Peter Lindsay MP
Shadow Parliamentary Secretary for Education	Senator the Hon Brett Mason
Shadow Parliamentary Secretary for Justice and Public Security	Mr Jason Wood MP
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry	Senator the Hon Richard Colbeck
Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate	Senator Concetta Fierravanti-Wells

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*Wednesday, 13 May 2009*

**The PRESIDENT (Senator the Hon. John Hogg)** took the chair at 9.30 am and read prayers.

**EXCISE TARIFF VALIDATION BILL  
2009**

**CUSTOMS TARIFF VALIDATION BILL  
2009**

**Second Reading**

Debate resumed from 12 May, on motion by **Senator Stephens**:

That these bills be now read a second time.

**Senator CORMANN** (Western Australia) (9.31 am)—This process has become an absolute farce. Here we are. Yesterday the government, on budget day, still had to deal with this legislation, which quite frankly we could have dealt with quite effectively two months ago. The Senate gave the government three opportunities to achieve exactly the same objective as is being pursued with the Excise Tariff Validation Bill 2009 and Customs Tariff Validation Bill 2009, but of course, out of incompetence, political bloody-mindedness, a combination of the two, political pride or whatever it was, the government refused to take on board and respond to the very constructive and positive proposals made by Liberal Party and National Party senators—and, in fact, made by all senators in this chamber other than government senators. We could have dealt with this in March and achieved exactly the same objective as is to be achieved with the legislation in front of us today.

How did we get here? Let us just remind ourselves: this is a tax increase that has now been in effect for more than a year, since 27 April 2008. Where did it come from? This was a government that was desperately looking for some revenue measures. It was looking for some cash to fund its various spend-

ing sprees. No doubt there were some hollowmen in the Prime Minister's office and the Minister for Health and Ageing's office who thought: 'How can we possibly sell a tax hike of \$3.1 billion? You know what? Let's apply the tax hike to alcopops and call it a strategy to address binge drinking.' Who could fail to agree with a government that proposes to do something effective about binge drinking? We would agree if the government proposed to do something effective about binge drinking, but of course this is nothing of the sort.

How do we know this? Because clearly the hollowmen in the Prime Minister's office and the health minister's office forgot to talk to the people putting the budget papers together. Was there any public health target or performance measure in the budget papers where the government gave us an indication of what it was that they were trying to achieve in reducing binge drinking, alcohol abuse and alcohol abuse related harm? The answer is no. There was only one single target in the budget papers last year, and that was a fiscal target. There was a target to raise \$3.1 billion in additional cash, and of course the government failed to achieve that particular objective.

Those hollowmen in the Prime Minister's office and the health minister's office are really quite good, you know! They must think they are real geniuses. Not to be outdone, what do they do when they realise that their genius-level plan to raise \$3.1 billion in cash and sell it as a health measure would not raise that much and would in fact fall short by 50 per cent? They turn around and say: 'Isn't that great? It proves that what we always wanted to achieve is actually happening. It proves that binge drinking is now reducing. It proves that we are more effective at what we were always trying to achieve than we had hoped for in our wildest dreams.' We, of course, know that that is just

changing the spin as we move along. We know that the government planned to raise \$3.1 billion, we know that they failed in achieving that plan and we know that whatever political strategy they implement to try and hide their failure is just that: a political strategy.

Was there any evidence when the government introduced this measure that this would be effective in addressing binge drinking? There have been various inquiries, and I will not bore the Senate by going through all of the detail again, but suffice it to say, no, there was no evidence. There was no evidence if you looked at what happened internationally where other jurisdictions had tried similar things—Germany, for example. There was clearly evidence that measures like this had failed. There was no evidence that alcopops were actually the drink of choice for problem drinkers; in fact, the Australian Institute of Health and Welfare data clearly demonstrates that the drink of choice for problem drinkers is beer for males of all ages, spirits or liqueurs for females up to the age of 29 and white wine for females older than 29.

Essentially, the government never even went out of their way to substantiate properly the political strategy—the con job that they tried to pull on the Australian people—trying to sell a bad, old-fashioned Labor tax grab as a health measure. They did not even do their homework to pull all the strings together properly when they introduced it. They did not put any targets in the budget papers in terms of what they were trying to achieve from a public health policy point of view and they did not put any evidence forward that this was actually something that was likely to be successful. Clearly, indications were that the Senate saw it for what it was from the outset: a tax grab and not a health measure. No doubt this is why the government waited for nearly a year before they dared to come

into this chamber to ask the Senate to pass validating legislation and to support moving forward the tax increase being imposed.

It took them nearly a year. We were pretty concerned about the time it took the government to actually come and be accountable to the Senate and the parliament, and to ask the parliament to deal with the tariff proposals that they had implemented. Given that had happened we thought there might be some evidence after 11 months of operation that this measure had actually been effective. We asked questions through Senate estimates and we put questions on notice. It took us a long time to get answers to even the most basic questions, like ‘How much additional revenue have you raised as a result of these measures since it was introduced?’ The government was ducking and weaving, not wanting to answer it. And no wonder, because they knew what we wanted to know—that they were failing to meet their only target, which was a fiscal target.

Then we had another Senate inquiry, and every public health organisation that had been supportive of this measure and, to be fair, continues to be supportive of this measure, came and gave evidence. We asked if there was any evidence at all that this measure had been successful in reducing binge drinking, in reducing alcohol abuse and in reducing alcohol abuse related harm. The answer was no. Not one single witness was able to point to any evidence that this measure had been effective in reducing binge drinking, alcohol abuse or alcohol abuse related harm.

What is the government’s evidence? The government’s evidence is, ‘Well, sales of RTDs have gone down in 2008-09.’ They do not know who no longer purchases RTDs, they do not know who is drinking less, they do not know whether it is responsible drinkers who are drinking less or whether it is



problem drinkers who are drinking less: they have got no idea. In fact, not only have they got no idea but they did not even try to find out, as per the evidence provided by Treasury and the health department through our various Senate processes. They did not even try to find out. Do not ask the question if you do not want to know the answer is all I can say to that.

So the government is saying reduced sales equals reduced consumption equals reduced abuse. I do not agree with that logic. It is flawed logic and it is dishonest logic, but let us just for one second assume that the government's logic is correct. Let us just agree that reduced sales means reduced consumption means reduced binge drinking. Guess what? Do you think the government expects sales to continue to go down? What do you think the government expects to happen with the sales of RTDs moving forward? Remember the \$3.1 billion fiscal target became \$1.6 billion? That \$1.6 billion figure is based on the premise that sales of RTDs will go up again as of 1 July 2009 by 7.8 per cent every year. Either the government has got that wrong as well, and the revenue is going to be even less than what we have been led to believe, or the government is budgeting for an increase in the sales of RTDs moving forward. Some of us have described that as the government actually still banking on a binge, not trying to prevent a binge.

The government delayed introducing this legislation until the last minute. They must have had an inkling that just perhaps the Senate may be suspicious whether what the government has put forward would be an effective way of addressing binge drinking. They must have been suspicious that perhaps they did not have the support of the Senate. So here we were, five minutes to midnight, not only dealing with legislation to validate the revenue collected so far but with the government asking us to support the in-

creased tax moving forward. The opposition have been on the record consistently all throughout. We do not support this tax grab, which the government has dishonestly sought to sell as a health measure. However, we have also been consistent in saying that we did not think it was practical or appropriate for the money that had been collected so far to be returned to the liquor industry. This is why we moved amendment after amendment, to give the government the opportunity to validate.

Even at the third reading stages the coalition, together with the Greens, moved an amendment urging the government to introduce validating legislation forthwith. At her press conference, the Minister for Health and Ageing was putting political pride ahead of good outcomes. She was being stubborn, belligerent—whatever you want to call it—but she was not going to come on board with the very constructive suggestions made by the Greens and by the coalition to validate the revenue collected so far to help the government out of a spot of bother. 'No, no, no!' said the minister for health, 'If this is what happens, if the Senate does not support our tax hike totally the way we want it, the money has to go back to the liquor industry.' How ridiculous is that? What an absolutely negative approach to public policy and public administration!

But, sure enough, here we are two months later. Clearly the Treasurer, the Prime Minister or somebody must have had a quiet word in the minister's ear. They must have said, 'Hang on; let's have another look at this. We don't think it would be a good look for the Rudd government to return \$300 million, \$400 million or however many million dollars have been collected so far to the liquor industry. Perhaps, just perhaps, the suggestions made by Liberal and National Party senators and by the Greens were worthy of support.' And here we are dealing with what

we have been calling for now for more than two months—that is what we are dealing with today.

Let me address an issue of concern, and I know that other senators on the crossbench will raise this issue as well. Tariff proposals are important tools of public administration. The reason for tariff proposals is so that governments are able to collect excise customs duty as soon as a measure is announced. In the absence of a tariff proposal people would bring forward their purchases of goods to avoid paying the increase and the government would forgo revenue on these purchases brought forward. So that is quite appropriate—it is a mechanism that we have used in government; it is a mechanism that you will continue to use in government; it is a mechanism that governments of both persuasions will use into the future. But what this government is proposing to do is to abuse that particular tool of public administration. The government is seeking to use, moving forward, the tariff proposal method to circumvent the express will of the parliament.

We are now no longer talking about the government putting in a fresh tariff proposal proposing a particular increase in excise customs duties or whatever and then putting it to parliament for parliament to make the final decision—with, in most cases, parliament ticking off on that. What we are now talking about is the situation where the parliament, having gone through a very thorough debate—a debate that has involved two Senate inquiries scrutinising, exploring, checking, asking questions and trying to find out whether what the government told the Australian people they were trying to achieve with this measure would in effect be achieved—having gone through hours and hours of debate in the House of Representatives and in this chamber, has rejected the government's proposal. The parliament—

whatever you think of it; for better or for worse—rejected the government's proposal.

As a measure of goodwill, we the opposition, along with the Greens and other non-government senators in this chamber, offered the government an opportunity to get themselves out of a spot of bother that they got themselves into—the spot of bother being that they collected revenue without legal foundation if it was not validated by this parliament. That was the circumstance they found themselves in at the end of March because they did not support any of the requests for amendments that we successfully passed in the Senate at that point in time. So right now unless we pass its legislation today the government has collected revenue without legal foundation. As a measure of goodwill and in good faith we have said to the government, both during the debate in March and since then, that we will support the validation of the revenue collected so far because we do not think it would be appropriate for it to be returned to the liquor industry.

But what are the government now trying to do? Not only are the government going along with what we have put forward in good faith; they are now turning around and proposing to reintroduce the same measure as a tariff proposal despite the express and stated views of the parliament of Australia. This parliament has explicitly and expressly rejected what the government proposed. Quite frankly, if the government want to pursue this increased tax moving forward then they should come back to this parliament and get its endorsement before they keep collecting this tax. In fact, in the context of this second reading debate and to facilitate smooth progress in the committee stage of the bill, I would urge the parliamentary secretary to respond to the following question. What will happen in the event that the Senate persists with its position adopted in March when this legislation comes back before this

chamber? We are told informally that this will be in June—that once the three-month period has elapsed the government will again, as part of their political strategy, load the double dissolution trigger. This is obviously what this is all about: what fits with the political strategy of the government not what is good public policy and in the public interest.

But let us just take the government at their word that they will reintroduce this legislation in June. What will happen if the parliament rejects this legislation again? Will you continue yet again to collect the excise? Will you continue to collect it until May next year, for 12 months, in spite of the parliament's express intentions? That is what you have done since we as a parliament rejected your proposed increase in taxes in March this year. You have continued to collect it, irrespective of what the parliament's decision was, because you worked on the basis, 'Well, we can collect it for 12 months.' As I understand it, you have sought and obtained legal advice to that effect. However, whatever the legal circumstance, it is a question of what is right and what is proper here. If this legislation were to be defeated twice in this parliament then it would not be appropriate for the government to continue to thumb their noses at the parliament and say, 'We don't care what you say. We will continue to do what we want to do irrespective of the parliament's wishes.' I remind the government they are accountable to the parliament. (*Time expired*)

**Senator SIEWERT** (Western Australia) (9.51 am)—This Excise Tariff Validation Bill 2009 is part of a package that the government is introducing to deal with alcohol related harm. The bill collects the tax that the government has already collected. As Senator Cormann pointed out, it is the tax that was collected that they failed to get support for during the last session with their previous

bill. The government is also introducing a new mechanism—which I will come back to in a minute—to continue to collect the tariff for up to another 12 months. And in June, presumably—from indications from the government—we will be debating the reintroduction of the bill, a bill validating the collection of the tax that was rejected by the Senate in the March sitting.

During the debate on the last bill, the Greens were willing to support that measure as part of a comprehensive approach to addressing alcohol related harm. We went very carefully, and have continued to go very carefully, into the evidence around alcohol related harm, and it is quite obvious from that evidence that a set of comprehensive measures to deal with alcohol related harm is needed, of which price is a key mechanism. We have always acknowledged the domestic and international research which said that the price of alcohol is a key mechanism in dealing with alcohol related harm. But you cannot use the price mechanism alone. That is also quite evident from the evidence. We therefore negotiated, in good faith with the government, additional funding for measures complementary to the price mechanism.

I will remind the chamber of what those measures were. They related to labelling—and other crossbenchers also held strong views on this, raising it with the government and negotiating with them—and mandatory warnings in all advertising on alcohol related products. A most critical measure for us was the fund that was established to deal with alcohol and the relationship of alcohol products with sponsorship, particularly for sports. The relationship between sports and sporting clubs and their reliance on alcohol related sponsorship has been identified as a key area that needs addressing. The fund that was to be established under our agreement was a voluntary fund which clubs could go to for sponsorship to replace alcohol related spon-

sorship. It was a key component of our package—to develop a hotline around alcohol, to continue extra funding for community based projects and for some social marketing. That package was negotiated in good faith with the government between us and Senator Xenophon. It was to get funded if the legislation got up—in other words, if the tax continued to be in place.

The tax, of course, did not get up and now we come to the issue that this tax is continuing. The bill that we are talking about is actually collecting that tax. To date, as I understand it, it has collected \$424 million and, as has also been pointed out to the chamber, if that bill and the measure are not passed by tonight, the money goes back to distillers. Nobody in this chamber wants that money to go back to distillers. We have always been of the opinion that that money should be retained by the Commonwealth and spent on alcohol related harm. At the time of the debate, if people recall, we were very strongly told that it could not be done. As Senator Cormann pointed out, the opposition and crossbench supported a motion for validation of the tax and collection of that money and that it be directed to payments on alcohol related harm. We were told at the time that you could not do that. So there was no point in negotiating further with the government about expenditure of any of those funds on complementary measures because the government said they could not do it. Well, between March and now they have obviously either had new advice or have known all the time that they could keep that money.

One of the key questions here regards the next bill in this package that comes up in June. If that goes down, will the government continue to collect the tax for another 12 months?

**Senator Cormann**—Good question!

**Senator SIEWERT**—We have not been able to get a straight answer on that one.

**Senator Cormann**—Funny, that!

**Senator SIEWERT**—And that was exactly the same position we had last time. So you can understand the Greens concerns as to the position. I take it from Senator Cormann's comments that they are the opposition's concerns as well, and I understand that Senator Xenophon, from whom we will hear shortly, is also concerned. Come clean with the Australian public. What is the position? Is this tax going to continue to May next year regardless of what the Senate says? The Greens, for one, are clearly on the record in supporting the price mechanism, but we want to know what the government intends to do with this. We negotiated in good faith with the government around a package of complementary mechanisms because we believe that price is not the only mechanism that deals with alcohol related harm. It has to be part of a comprehensive package. That is the way we negotiated. The point here is that the government is continuing the price mechanism without those complementary measures.

The other interesting fact from the research is that price has an impact—a fact that, as I said, we recognise—but that it is highly likely that the effectiveness of the impact of that price mechanism will be diluted as it continues to be implemented if those complementary measures, such as dealing with alcohol advertising, sponsorship, opening hours and the like, are not in place. This is why we so strongly want those mechanisms in place now. From the Greens point of view, the issue here is that we are negotiating in good faith on a bill that puts in place a price mechanism. The government said that they would fund it if the price mechanism got up. The point here is that the price mechanism is continuing, regardless of

what the Senate said, yet the complementary measures are not. That is bad faith on the part of the government. It is bad faith on the part of the government not to be telling the Senate and the community at large what will happen to this tax after June.

We understand that the government think that the Greens are, because we support the tax, in a difficult position. But we support the tax as part of a comprehensive approach not as just a revenue-raising mechanism—which, it is quite plain from the government's approach, is what this is about. If they are not prepared to put the funding into the complementary measures we have negotiated, it is quite plain that this is about revenue raising. It is not about dealing with alcohol related harm; hence our very strong concern that the government, in bad faith, are not prepared to start funding the mechanisms. We expect that those mechanisms are to be implemented as the tax is rolled out. The package we negotiated was \$50 million. We are not expecting the whole \$50 million to be delivered this year, because we expect those mechanisms to be rolled out as the price mechanism is rolled out. So of course we expect them to be delivering on a pro rata basis as the price mechanism is rolled out.

I should indicate now that I want to refer this to the Committee of the Whole, because I have some questions that I want the government to answer that we have not been able to get a straight answer out of them on. Will this tax continue past June—that is, if the bill is debated in June? The government may delay the debate on the bill until later in the year because they have 12 months, as we understand it. We want a straight answer. Will this tax continue after June? Of course, the problem for the government is that they have not been able to give us a straight answer on that question. We want a straight answer on that point.

We believe it is absolutely essential that these complementary measures are in place. The evidence, we believe, is clear that the alcopops price mechanism to date has been having an impact. We do see from the evidence that there has been some substitution. You can debate the level of substitution—if you give the same evidence to a group of people they will still argue over the degree of substitution that has occurred. So, yes, there has been some substitution but, overall, the number of drinks drunk in Australia has decreased. We believe that that is what the evidence shows.

We also are dismayed at the continuing rate of binge drinking in Australia. The issue with the rate of binge drinking is not just about alcopops; we acknowledge that upfront. But alcopops are a very important component, and the reason the Greens are so concerned about that is that it is a particularly targeted component of the drinks market—targeted at young people, when they are most vulnerable, when they are starting to drink. We definitely believe that these products—particularly the sweet products—are targeted at a vulnerable market, to get young people and young women in particular into drinking alcohol. We believe, despite what the industry says, that these products are particularly marketed at that section of the community, at that cohort. Who else, quite frankly, would be drinking those sweet ones? So there is not a doubt in our minds that those drinks are focused on young people. But the price mechanism alone does not and will not work—that is plain from the evidence that has been collected both in Australia and overseas. That is why we are so strong on the point that we need a comprehensive approach.

We also believe that we need to be moving towards a volumetric approach to taxation on alcohol products, and we have been very upfront about that in the debate. We

want the government to be moving in that direction. We understand there are continuing problems with the volumetric approach. It seems to me that there is no perfect approach to taxing alcohol. But we acknowledge that, in the absence of that overall move to date, there is a need to move more quickly on certain products. Alcopops are a particular product that, as I said, we need to be moving on now.

The point here is that we are getting confusing messages from the government. Is this really about addressing alcohol related harm—the harm that costs our community up to \$15.4 billion each year? And that figure does not put a price on the damage that is caused through domestic violence, the break-up of homes or the psychological impacts that they have. That figure of \$15.4 billion is just the cost that people can actually quantify.

So the issue for us is this: of course we want the government to keep the \$424 million that has been collected to date. The Greens, in principle, believe in the price mechanism. We are deeply concerned at the approach that the government has taken to this. We are deeply concerned that the government has not told the Australian community what it intends to do with the revenue measure if it goes down in the Senate in June. We are deeply concerned about that. Our position is this. If it does continue for the next 12 months, the government will have collected probably close on \$1 billion over the two years of this tax, which is getting close to the \$1.6 billion that, during the debate last time, was the figure down to which it revised the budget forecast on the measure. But, given that it has collected \$424 million of this tax already, if you double that you are getting close to the \$1 billion mark in the just over two years that this mechanism has been in place.

The government has not rolled out the complementary measures that it committed to rolling out as part of this measure, which is supposed to be dealing with alcohol related harm, binge drinking and, hopefully, starting to address the drinking culture in Australia. We need to start addressing the issues around the abuse of alcopops. There is absolutely no doubt that the sales of alcopops have increased in Australia; in fact, Australia has the dubious record of being the leader in the sale of alcopops around the world. They are marketed very heavily at young people, particularly young women. There is no doubt that that is the market that the alcohol manufacturers target. You only have to look at some of the advertisements to identify the fact that they are targeting that particular market, despite what they say. It is very peculiar that the alcohol manufacturers claim that they do not target that market—you only have to look at the advertisements to realise that they do target it. If you can start addressing the drinking culture in that age group, then you will of course be addressing it as they age. But there are other sections in our community where we also need to be dealing with the drinking culture and alcohol related harm, which is why we need these other measures.

That is also why we need to break the nexus between sport and alcohol advertising. At the moment the message is clear in Australia: to have a good time at sport you have to drink alcohol, or after you have a good time at sport you drink alcohol. That is not the message that we should be sending to our young people. That is why the Greens put this measure to the government, and I am hoping that that is why the government said that they would support that measure, because it is a very important measure.

On social marketing: it is so important that we have a range of messages that address key markets. You cannot just have one

marketing campaign that sends one message and hopefully targets all the people that we are trying to target in our marketing campaign, so we need to invest very heavily in that campaign. I am sure Senator Xenophon will talk in more detail about the community projects because they are an area that I know he is particularly keen on, and the government also said they would invest more money there. If the government believe that the price mechanism should continue, surely they will believe that they should start these comprehensive projects and this comprehensive package now, as they are rolling out this measure.

I have asked this question before, and I expect an answer in this debate: what will the government do after June? Is this tax going to continue or not? They need to show good faith with the Senate and they need to show good faith with the Australian community. If this tax is going to continue, what are they going to do in May next year? You can guarantee that it will be like *Groundhog Day*. We will be in here having the same debate. In fact, they might as well just table the *Hansard* now, and then we will not have to bother to show up, because they will be putting it in place again, saying, 'We want to validate this tax.'

**Senator Cormann**—It's very arrogant, isn't it?

**Senator SIEWERT**—It is very arrogant. And they expect that the opposition and the crossbenchers will go, 'Oh, yes, because we don't want that money going back to distillers.' And, no, we do not. So the government think they are being very clever by forcing us to vote at the last minute—we have to have this done by midnight tonight—by catching us at the last minute, and saying, 'If you don't, it'll go back to the distillers, and you don't want that to happen, do you?' No, we do not, but we expect the government to

be honest and come up with a more thorough way of dealing with this issue.

I repeat: the Greens fundamentally believe in the price mechanism, but it is part of an overall approach. That is why we tried so hard to get a package up that at least started to address the other measures that the government need to address when they address alcohol related harm. It is not just a simple issue of putting one tax on one product. A comprehensive approach is needed, and we need to make sure that we have that comprehensive approach in place.

The government has shown bad faith with the Greens and the crossbenchers in the package that we negotiated. It has shown bad faith with the community, because it will not tell us what it intends to do with the tax if the bills go down in June. The Greens do support the collection of this money, but we are extremely disappointed in the approach the government is taking. As I said, I ask that we go into Committee of the Whole so that we can question the government and get some vital information that I think it is important for the Australian community to know.

**Senator XENOPHON** (South Australia) (10.10 am)—I take issue with Senator Siewert. She says it might be like *Groundhog Day* next year; I think it already feels like *Groundhog Day*. The question is: who is Bill Murray, who is Andie MacDowell and, above all, who is Punxsutawney Phil, the groundhog? I share Senator Siewert's concerns. Let us get a bit of perspective here. When the government announced this measure in April last year, it was all about tackling binge drinking—the social scourge that the government referred to. Something needed to be done about shifting the culture of binge drinking. This excise measure was a significant feature of that, and there was going to be a specific \$53 million fund for tackling binge drinking over four years. The gov-

ernment's revenue estimates back then were \$3.1 billion, I believe. That has now been revised downwards to \$1.6 billion. In that context, at that time, I said that \$53 million did not seem enough to tackle this issue, that it was not enough to get to the tipping point of a change in attitudes in terms of the whole range of measures that needed to be undertaken to tackle this. That was my position.

As a result of quite intense negotiations with me and my colleague Senator Siewert, on behalf of the Australian Greens, an additional \$50 million was agreed by the government to be spent on measures. Let us go to those measures. There was a \$25 million fund to provide sponsorship to local community organisations, something that the Greens had been campaigning for long and hard, which would provide sporting and cultural clubs and activities with an alternative to other forms of sponsorship, namely alcohol sponsorship. There was \$20 million for community initiatives in those local grassroots organisations to tackle binge drinking. We already saw some of those rolled out at the end of last year. Various groups—community groups, church groups—are involved in being part of that cultural shift, giving alternatives to young people or providing support to tackle the problem of binge drinking. We needed that extra money, I think, to get to that critical mass, to reach out in more places in the community. And then also there would be \$5 million to enhance telephone counselling services and alcohol referrals with an expansion of existing social marketing campaigns.

Senator Siewert is right: it is not just about the money. There are other measures that the government agreed to—namely, that there would be prevetting of alcohol advertising for the first time and that we would see labelling for the first time. I acknowledge Senator Fielding in his campaigning on the whole issue of alcohol labelling as a measure that

would provide additional information so that consumers could make an informed choice and so that those warnings would be apparent. Licensing laws were not part of the deal, but I think we need to talk about the role of the Commonwealth in putting pressure on the states, because I think the administration of licensing laws and the way they have been expanded with almost a *laissez-faire* attitude in a number of states has led to an increase in alcohol related harm, and I think the Commonwealth has a key role. But, in terms of what was agreed, I thought the \$50 million and the additional spending of \$50 million—the community initiatives, the alternatives to sponsorship from alcohol firms, \$5 million for telephone counselling, the prevetting of alcohol ads and the labelling—were a pretty good raft of measures.

That legislation did not go through, but the intention of it was clear: the government acknowledged that you needed to do these things in order to make a difference, to get to that tipping point, to get to that shift, in tackling binge drinking. I acknowledge the opposition and Senator Cormann in their concerns about tackling binge drinking. The issue is: what is the best way of doing it? I would like to think that Senator Cormann and the coalition are at least sympathetic to these measures. I think he is nodding; I am not verbalising Senator Cormann. These are incremental measures that would make a difference in tackling binge drinking.

We have a situation now—as Senator Siewert has quite rightly pointed out—where the government has collected almost \$400 million, and we are seeking to validate that. I support the validation because the alternative would be to give the industry a slush fund of \$400 million. It would give them an undeserved windfall. It would be the worst possible result. I cannot understand this. If the government two months ago on 17 March said that these additional measures were the



right thing to do—and it will not cost anything to have prevetting and alcohol labelling—why have they now been forgotten? They have been put to one side. All the government is interested in is the revenue.

Fifteen months ago this government said this was a social scourge that needed to be tackled and that it needed the revenue to tackle these things. I would like to hear from the minister why the government are not prepared to make a commitment at least on a pro rata basis for that additional \$50 million to be spent on those projects. To me that would be the right thing to do. It is about good faith, as Senator Siewert has said. The crossbenchers who negotiated with the government in support of the original bill did so in good faith. I do not think the government are showing that same level of good faith. The government are not willing to say, 'That's it; we won't seek to collect this revenue anymore,' so we will have the groundhog day scenario that Senator Siewert talked about. The government will reimpose this. The excise will continue to be collected and in 12 months time we will be back to square one—when almost \$1 billion will have been collected. That to me is not equitable. That to me does not show the same level of good faith that the Greens and I showed to the government in negotiating this. I would like to hear from the government about those measures.

I have been supportive of what the minister has been trying to do, and I want to acknowledge the very constructive working relationship my office has with the minister's office and the good working relationship I have with the minister. I appreciate the flow of information. But on this I believe the government could have, at the very least, done the right thing and agreed to these expenditures on a pro rata basis. Also, could the government clarify whether the prevetting of alcohol ads will continue and whether we

will see labelling of alcoholic beverages? That is something that Senator Fielding has long campaigned for. Those are my questions. I support Senator Siewert in that the Excise Tariff Validation Bill 2009 and Customs Tariff Validation Bill 2009 ought to go to the Committee of the Whole so that we can get some answers to these very fundamental questions. If there is not pro rata spending at the very least for these important projects—and the government acknowledged two months ago that these things ought to be done—then I do not think the government is showing the good faith that was shown by the Greens and me in negotiations with the government in March this year.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (10.18 am)—Almost two months ago I stood in this spot and urged the Rudd government to reconsider its position on whether or not to keep the money raised by the collection of the alcopops tax in the past 12 months. The coalition, the Greens, Independent Nick Xenophon and I were all in agreement that the tax collected should be retained by the government. But the government said no to keeping the tax collected. It did this because it was more interested in trying to make a political point. It stubbornly refused to do the sensible thing and to keep the millions of dollars that had been collected through the ready-to-drink tax over the past year. In fact, the Rudd government insisted the collected money from the tax be handed back to the alcohol industry.

**Senator Cormann**—That's right.

**Senator FIELDING**—That is right. That is absolutely the way the government voted. I was disappointed with the government's lack of maturity and its determination to point-score on this matter. But it appears the government has come to its senses. Today we see a government that has recognised that its

stubborn stance of two months ago bordered on the absolutely ridiculous. But much of the debate about the so-called alcopops tax was farcical. Initially, we were told with great sincerity by the Rudd government that it was not a tax measure but an important strategy to tackle the binge-drinking epidemic—an epidemic that is creating a climate of fear in Australia and destroying families and relationships.

But the Rudd government finally came clean. After the tax grab failed to pass the Senate in March, the government began talking about the importance of the measure as a tax, not a binge-drinking strategy. Fair enough: it is a tax measure on one product but it is not a binge-drinking strategy. It never has been and will not be. The government hijacked the debate on binge drinking by turning it into a debate about a tax and then had the gall to pretend it was not. What a pity the Rudd government was not honest from the outset. What a pity the Rudd government did not come before this place and say, 'We want to introduce a tax on this product,' and at the same time allow an honest and open debate about the problem of binge drinking in our community and the best way to tackle it. The government has missed an enormous opportunity to have a real debate about what is a real crisis in our country. It is a crisis of culture, because Australia has a drinking problem. Australia has a drinking-to-get-drunk culture, and no tax will fix that. We must change the way Australians feel about alcohol and how they act around it. We must tackle the core of this terrible mindset, where the only way to enjoy yourself is to get blind drunk and where you are not a real man if you do not get blind drunk.

Recent research found that 80 per cent of Australians think that we do have a drinking problem, and 85 per cent want more to be done about it. This research comes a year

after the alcopops tax was introduced, a year in which alcohol-fuelled violence, domestic violence, hospital admissions and car accidents continued unabated. Australians are calling out for change. Australians are calling out for leadership. How does this government respond to that call? With a tax grab on one product. When the swine flu epidemic was considered a reality for Australia, the Rudd government acted immediately, but what does the Rudd government do when it is faced with alcohol abuse, binge drinking and violence that continue to scar our friends, families and colleagues? The Rudd government responds to Australia's alcohol toll with a blatant tax grab on one product and hides behind it as a solution. What a farce; Australians know it is a farce.

This government is not content with hijacking a decent debate about Australia's alcohol toll—it costs Australia \$15.3 billion each year to mop up after excessive alcohol consumption—and hiding behind the blatant tax grab called the alcopops tax; it also wants to use this issue for a double dissolution.

**Senator O'Brien**—No, you want us to.

**Senator FIELDING**—Now they want to use it for a double dissolution. I take the interjection from the government. They reckon that I want to use it. That is just a joke. You guys could bring in tomorrow the tax that you are proposing for this measure to continue rather than waiting. When are you going to wait until? June? Why June? Does waiting until June give you the trigger for a double dissolution? Does it? I bet you the answer is yes. You would not bring it in tomorrow, would you? You would not try to test the parliament tomorrow, would you? You would wait until June to deliberately make it a double dissolution trigger. You guys are not honest. You guys have got to be real. Bring it in tomorrow; do not wait until June. Let us have the debate and then let us

get on to the real issue: tackling binge drinking.

Back in 2007, Family First also spoke to the then Leader of the Opposition, now Prime Minister Kevin Rudd, about this and raised three issues. The first issue was warning labels on alcohol products, which does not cost the government a cent. But they will not do that; it does not collect any revenue, so they will not do that one. The second issue was getting the ads out of the control of the industry and into an independent body. They will not do that either. The third issue was the big one: restrictions on advertising alcohol, closing that crazy loophole that allows alcohol ads to appear at any time of day because of sports programming. That is linking alcohol with sports. We have a huge issue with alcohol in sport, yet they refused to implement that measure. Again, it cost them nothing. But, no, they are quite happy to hide behind a blatant tax grab and try to con Australia. Well, Australians have woken up to it. They are against it, and they know that you folks are hijacking a decent debate on how to tackle binge drinking. Hijacking the debate and turning binge drinking into a tax problem does no good to anyone. It is not leadership. It does all of Australia a disservice, and the sooner we get beyond this issue the better. I challenge the government to bring in tomorrow the legislation to keep the tax going forward rather than using this issue for political point-scoring or as a trigger for a double dissolution.

You guys are not real. You have to stop hiding behind this tax and start addressing the real issues. A drug educator with Drug and Alcohol Research and Training Australia, Paul Dillon, was right when he said in an article in the *Newcastle Herald*:

Alcohol and sport are tangled together so tightly in this country that it is extremely difficult to work out where one stops and the other one begins, and that is exactly the way the alcohol com-

panies like it. As a result, there are very few sports now that don't have a drinking culture.

You have a chance to break that link. Give us a date when you will bring in advertising restrictions that break the link between alcohol and sport. Make the announcement today. But, no, you would rather use the issue for political point-scoring and a double dissolution. Why? Because you are scared? Why not bring it in tomorrow rather than in June? You will not answer that question, will you? Mr Dillon goes on to say in his article:

It is time for this link to be severed—not because alcohol is bad or we should not be drinking but because it sends a mixed and confusing message to the Australian public.

The government have agreed to introduce alcohol warning labels and they agreed to make sure that the ads are not in the control of the advertising industry—but only if the tax stays. Come clean with the Australian public and explain why you will not implement those two measures anyway. Why are you trying to hold onto the tax? It is not working. You are actually hijacking the debate so that we cannot have a decent debate on what measures Australia should put in place to change the culture of alcohol. Turning binge drinking into a tax problem is mischievous. It is hijacking the debate and stopping Australia from moving on to a mature debate about what measures need to be put in place to create a culture of responsible drinking. The issue that this government have not come clean on in coming to parliament is why they will not break the link between alcohol and sport by putting in place tough alcohol-advertising restrictions that unhook alcohol from sport. How many more days, how many more months will it take? How many more cases of alcohol having a huge, devastating impact on sport and leading many of our young Australians astray do we have to read about on the front page of the paper? How much longer can you allow this

to happen before you come into this place and say that, by this date, you will put restrictions on alcohol advertising in sport? You have to be real.

Let us hope the money that has been collected does not just go into the Department of the Prime Minister and Cabinet to give them a few extra staff; let us hope the money is used to address binge drinking rather than just filling your coffers. Let us make sure that we actually get the money used wisely—all of it, not just part of it. Let us make sure this government stops hiding behind a blatant tax grab and gets on to the real issue of addressing binge drinking by putting in measures that will really tackle Australia's drinking problem and create a culture of responsible drinking.

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (10.30 am)—I thank all senators who have contributed to the debate on the Excise Tariff Validation Bill 2009 and the cognate Customs Tariff Validation Bill 2009. These validation bills ensure that the additional duty collected on alcopops over the period of 27 April 2008 to 13 May 2009 does not have to be refunded to the payers of the duty or the manufacturers and importers of alcopops. To ensure that this does not occur, these bills, as we have heard, must be passed by parliament and receive royal assent today. The Senate's approval of these bills will protect \$424 million in revenue, so that revenue, collected under the tariff proposals, will not be returned as a windfall gain to alcopop producers and importers.

When we were last in this place, those opposite and the senators on the crossbenches indicated that they did not want this windfall to occur, and that has been reconfirmed today. Senator Siewert, you are right—the price of alcohol products is not the only lever that we have to pull in order to deal with in-

appropriate use of alcohol. That is something that all senators who have contributed to this debate have commented on. It is a problem Senator Fielding has rightly identified is of concern. That is why our government, back in March last year, introduced the National Binge Drinking Strategy—the first time that leadership had been shown on the question of alcohol abuse for the last 12 years. It is wrong to say that the government has not facilitated a debate about alcohol abuse. Compared to the previous government, which did not talk at all about alcohol for the last 12 years, our government is showing the leadership that you are quite rightly calling for.

In March of last year we introduced the National Binge Drinking Strategy. There are three elements to the strategy, three elements that we are rolling out to ensure that we start changing the culture around inappropriate alcohol use in the country. \$14.4 million has been allocated to the community-level initiatives that Senator Xenophon spoke of. They were very well received by the community. It was the first time for a long time that that had been done. It is wrong to say that we are shirking the debate around alcohol abuse; we started it. I am sorry, Senator Fielding—you simply cannot say that this debate is not being had in an appropriate way. \$19.1 million is going to be committed to early intervention projects in each state and territory around the country to ensure that young people assume personal responsibility for their drinking. Agreements between the states and territories have occurred, and that work is rolling out. There is a very successful social marketing campaign targeted at young and, particularly, underage drinkers entitled 'Don't turn a night out into a nightmare.' Those were and are confronting ads and they are targeted at that part of the market that alcopops are targeted at. So we are working on many fronts. We are aiming to change

behaviour, particularly amongst young Australians.

Senator Fielding said we are not doing any work on a whole range of other things like labelling and advertising. I table the communique of the 24 April meeting of the Ministerial Council on Drug Strategy. It said:

**Ministers supported a series of proposals about alcohol advertising regulation to be presented to COAG including:**

- Mandatory pre-vetting of all alcohol advertising
- Expanding the ABAC management committee to have a more balanced representation between industry, government and public health
- Expanding the adjudication panel to include a representative specialising in the impact of marketing on public health,
- Expanding the coverage of the scheme to include emerging media, point-of sale and naming and packaging, and
- Meaningful and effective sanctions for breaches of the Code.

This is not only our government. This is our government showing leadership and working with the states and territories in order to meaningfully deal with all of those elements that will lead to inappropriate use of alcohol. We are happy to provide for Senator Fielding a briefing about the range of measures that we are undertaking to work in a meaningful way in this space.

That is all aside from the work of the Preventative Health Taskforce, the task force that will make its report and recommendations to the government in June of this year. I remind the Senate that our government established the Preventative Health Taskforce to look at three particular areas in the first instance. Those were alcohol misuse, tobacco and obesity. It is the first time ever that this country has turned its head toward a preventative health agenda that we so des-

perately need. It is wrong to say our government is not working to limit in a broad sense the health impacts on our community that come from the inappropriate use of alcohol. The government has introduced new excise and customs tariff proposals, with effect from 14 May 2009, so that the current tariff proposal rates remain on alcopops. This will ensure that revenue will have been collected for all spirits at the same rate, whether they were consumed as alcopops or full-strength spirits, for the last 12 months.

The government will also reintroduce the bills rejected by the Senate later in this session of parliament. This will legislate the higher rate for alcopops so that alcopops and spirits continue to be taxed at the same rate into the future. Senator Cormann and Senator Siewert asked what will happen after June if the Senate does not pass the reintroduced legislation. Can I say: that is speculative. It is our government's view that the Senate should pass this measure. It would be speculative to make a judgment about what might happen in this chamber at that time. So it is a question that cannot be answered.

The government's view is that the measure should be passed because we have seen such success coming from it. We have seen reductions in consumption. We have seen a 35 per cent fall in alcopops sales in the past 12 months and an eight per cent fall in spirits sales overall. There has been a slowing of consumption of alcohol across the board. This measure is working. The opposition knows it is working. The distillers in particular know it is working, and that is why they are fighting so hard. We know that spirits consumption is lower and that there is less growth in consumption across the board.

**Senator Cormann**—Your figures don't show that.

**Senator McLUCAS**—Yes, they do, Senator Cormann. Senator Cormann spends a lot

of time in this place telling us that there is no evidence. Senator Cormann just does not listen. There is plenty of evidence out there, such as the half-page ad from every senior public health organisation in the country urging the Senate to pass this measure, recognising that it is part of a whole range of measures that we have to introduce in order to deal with it.

**Senator Cormann**—‘It was not possible to definitively conclude that this reduction in consumption ...’ These are your own senators’ conclusions.

**Senator McLUCAS**—I would suggest, Senator Cormann, your head is very firmly in the sand on this issue. We have seen a 35 per cent fall in alcopops sales and an eight per cent fall in total spirits consumption. The government’s alcopops measure is just one among the many necessary to combat binge drinking. Change in society’s attitude to drinking does not occur immediately, and intervention must take many forms on many fronts. The higher taxation of alcopops is an important step in changing this attitude, and it is supported by health groups and, importantly, police right across the country.

With respect to the comments that the crossbench senators have made about the arrangement between the Greens and Senator Xenophon when last we debated this matter, I refer to the *Hansard* of 17 March. I think it is important that people understand what the agreement was at the time. I said:

We are now in a situation where the government can indicate that we agree with those proposals but not if the measure is not passed. That is the reality. We cannot agree to the measures that have been identified in this letter—

that is, the letter from Minister Roxon to Senators Siewert and Xenophon—

if the legislation is not passed unamended. We will only agree to these measures if the legislation is passed in an unamended form.

I made it perfectly clear then, and that is still the position of the government. Whilst I understand your desire, Senator Siewert and Senator Xenophon, to do more work in this space, that was the agreement the government made with the Greens and Senator Xenophon. That is the commitment we made and continue to make. Senators, I urge you to support these bills. I think they will be passed, because this is an important measure for the country.

Question agreed to.

Bills read a second time.

#### In Committee

Bills—by leave—taken together and as a whole.

**Senator SIEWERT** (Western Australia) (10.43 am)—As I indicated in the second reading debate, I have some questions for the government. The minister attempted to answer them during her summing-up speech but unfortunately did not. I am not sure whether or not the government deliberately have not taken the point on the additional measures that we negotiated. I will reiterate a number of points. Firstly, those measures were negotiated on the basis of the government saying they were not going to collect the windfall tax and that in fact it was not possible to do that. It turns out that it is.

Secondly, we negotiated those measures on the principle that the bill would not get up and therefore the price mechanism would not be in play anymore, and these measures were always designed to complement the price mechanism. The price mechanism is in play again; therefore our belief is that those measures should also be in place to complement the price mechanism.

Why can’t the government tell this place and the Australian community whether they intend the collection of this tax to continue, come what may, after June? Surely, as good

economic managers, they would have a clear understanding of what will happen after June if the tax measure does not get up. Do they have the powers to continue to collect the money and, if so, will they use those powers to continue to collect the money for the next 12 months? Previously, they said they did not know. They have clarified that; hence we are having this debate right now. Surely they know whether they can continue and will continue to collect the money whether or not the bill is passed. They are saying that it is pointless to have the discussion until we know what is going to happen in June. It is not pointless; the Australian community has a right to know what the government's intent is if the bill does not get up in June. We want to know what the government's intent is.

**Senator CORMANN** (Western Australia) (10.45 am)—I thought that, before making some comments at a later stage, I would also ask some specific questions. From recollection the government revised its revenue estimate in MYEFO, as a result of this measure, downwards from \$3.1 billion to \$1.6 billion. Has the government further revised its revenue estimate since then and, if so, by how much? In MYEFO the government's estimates of sales of RTDs were that, from 1 July 2009 onwards, sales would increase by 7.8 per cent per annum. As I understand it, that was a core assumption at the basis of the revised revenue estimate. Does the government stand by the assumption that there will be an increase in sales of 7.8 per cent per annum from 1 July 2009 onwards or has it revised that estimate and, if so, how?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (10.46 am)—In respect of the final questions from Senator Cormann, I am advised that estimates have been provided in the budget. We do not currently have them at hand. We will endeavour to get them to you.

**Senator Cormann**—I looked for them in the budget but couldn't find them.

**Senator McLUCAS**—We will endeavour to get them to you. Senator Siewert, in response to your question, 'What would happen if the Senate makes a decision not to pass the reintroduced measures in June?' it would be a very sad day if that were the case. It would be a very sad day if a measure that is working, that has reduced alcohol consumption, particularly in the alcopops form, were not passed by this place. I know that you agree with that. It is important that those opposite get the message that this measure is working in our community.

Can I refer people to research of the Alcohol Education and Rehabilitation Foundation, which was released this week, that Senator Fielding referred to. It says that 80 per cent of Australians think that alcohol abuse is an issue in this country. Any political party would be thrilled to get any figure like that, and that is up from 63 per cent. The foundation say that that figure is as a result of the debate we have been having in our country over the last 12 months. It is an important recognition of the shift in understanding of alcohol abuse. So, Senator Siewert, it will be a very sad day if this measure is not carried in June.

**Senator SIEWERT** (Western Australia) (10.49 am)—I do not disagree with the minister, but she did not answer the question.

**Senator Williams**—It was an opinion, not an answer.

**Senator SIEWERT**—Yes, I will take that interjection; it was an opinion. Unfortunately, the legislation may not be carried and, if I had my way—if I had my way, this country would be quite different, anyway—it would. As we have clearly said, we believe the price mechanism is an important mechanism. However, we do not always all get our own way. My question therefore remains:

what do the government intend to do if the measure does not get carried by the Senate? It is very disingenuous for the government to pretend that they do not know. They tried that one before. We had that one during the last debate when the government said they could not do it. I have been trying to find out the answer to this question for several weeks, and we have not had a clear answer. Australia deserves to know: do the government intend to carry on with this tax if the measures do not get up in June? It is very important for us to know what the government intend to do.

**Senator CORMANN** (Western Australia) (10.50 am)—I am happy for Senator McLucas to have more time to find answers to the questions I have previously asked. If it is in the budget papers, it must be hidden in the fine print. I have certainly had a quick squiz to try and find any reference to the expected revenue from the increased excise on RTDs. I admit it was late at night and perhaps my eyes were a bit too droopy to home in on it, but if it is in there you have been hiding it very well. I do want to know whether you have further revised your revenue estimate downward and, if you have not, whether you still expect—as you did in December—sales of RTDs to go up, to the tune of 7.8 per cent every year, from 1 July 2009 onwards.

Here is the absolute flaw in the argument. The only so-called evidence that the government have been able to come up with that this measure has been successful is that sales in the 2008-09 financial year have gone down. The argument according to the government is that sales have gone down, which equals consumption going down, which equals binge drinking going down. But they have not got any data or evidence. Who is buying less alcohol? Who is drinking less? Who is substituting? Are the responsible drinkers drinking less because they are faced with a 70 per cent increase in tax or is it

problem drinkers? The government have no idea and they have not even tried to find out. They have not done any research. They have not done any assessments whatsoever. That was the conclusive evidence put forward before the inquiry of the Senate Standing Committee on Community Affairs. That was the evidence provided in answers to questions by Treasury themselves. There has not been any further assessment done since the 2007 National Drug Strategy Household Survey, which was of course done before this measure came into effect.

Senator McLucas keeps persisting with this line: 'The evidence is overwhelming.' You know what? Let us have a look at the majority report of the Senate community affairs committee. We in this place all know that government senators will do everything they can to protect their government. So, if there is something critical of the government or something that goes counter to the government's official line in a majority report, chances are that it must be true because it is a very hard thing for government senators to do. Let us have a look at the final page of the report, signed by Senator Claire Moore, the chair of the community affairs committee. It said:

... it was not possible to definitively conclude that this reduction in consumption had resulted in a reduction in levels of risky and high-risk consumption of RTDs by young women ...

That is as damning as it will get from a government senator. That is the government's own senators saying, 'We can't conclude that there has been a reduction in risky levels of drinking.'

The reality is that this was always just a tax grab. Somehow the new government thought it was politically smart to dress it up as a health measure. The spin doctors, the hollowmen, the people in the Prime Minister's office and the people in the Minister for



Health and Ageing's office thought: 'If we dress it up as a health measure, it will make it easier to get through. It will make it easier for us to get public support.' That is why they did it. The problem is they did not do their homework. They did not make sure they had all their ducks in a row and, when the Senate started to ask some questions, the whole thing fell apart. When some scrutiny was applied, the whole thing fell apart.

When we discussed this in March, the Senate put forward a second reading amendment. The Senate called on the government to invest all of the revenue collected so far into genuine measures to fight alcohol abuse and alcohol abuse related harm in the community. But of course the government did not support that and there was a deal done by crossbench senators and the government to help the government in its attempt to get the legislation up. We now know that the Senate rejected the increased tax on alcopops as implemented by the government in April 2008.

This brings us to where we are today. The government is playing games on this. We—that is, all senators in this chamber other than government senators—in good faith have said all along, 'We will validate the revenue collected so far because we do not want it to go back to the liquor industry.' In March the government was too proud, too stubborn and too bloody minded to go along with that very constructive suggestion. No doubt the health minister was called into the Prime Minister's office and the Treasurer's office and told very clearly what she had to do. She had to eat humble pie. So here we are dealing with a proposal that all of us on the non-government side put on the table more than two months ago.

But what are the government doing? The government are playing games. They are being tricky and dishonest. Now that we are

here saying we are quite happy to support this legislation to validate the revenue collected so far, they have used a tariff proposal to keep the tax hike going immediately after the parliament defeated it. If that is not dishonest, I do not know what it is. This is tricky. This is against the principles of accountable government. They are a government that is accountable to parliament, and the parliament has sent them a very clear message: 'We do not agree with this tax. We do not agree that this tax is an effective way of addressing binge drinking. You have to do better. Having a tax on one single product category is not an effective way of reducing binge drinking.'

All of the public health groups that appeared before the inquiry saying, 'We would like this to go through'—because they would always support any increase in the taxation of alcohol—in the same breath also said, 'But what we really want is volumetric taxation on alcohol.' That is entirely inconsistent because volumetric taxation on alcohol, as I am sure the minister would be well aware, actually works on the basis that lower content alcohol is taxed less than higher content alcohol to provide an incentive for people to choose lower content alcohol products ahead of higher content products. This is doing exactly the opposite. This is putting other excisable alcohol products under 10 per cent alcohol content into the same category as spirits. Instead of having a predictable, lower alcohol content, this is forcing young women across Australia to expose themselves to the risk of somebody else mixing their drink. That drink could well be of significantly higher alcohol content as a result. It could well be spiked. Everybody knows that an RTD bottle is a much more predictable level of alcohol content and a much safer way to consume alcohol. The government are now targeting one particular alcohol product category in isolation. They are not putting for-

ward a comprehensive strategy. They are not putting forward a comprehensive strategy from an alcohol taxation point of view. Do you know why? It is probably because it is too hard. They went for the easy target. They said, 'Let's target the distillers.' The minister keeps talking about 'the distillers' as if they are a bunch of criminals. The government said, 'Let's target the distillers because we can make them look bad and surely the public is going to agree that we should target the distillers.'

But what really concerns me about the debate today is this. We as a Senate are acting in good faith—we are not playing games—and with a lot of goodwill we have said to the government, 'We will help you out of the spot of bother that you have created for yourself by validating the revenue you have collected so far because we do not want to see it go back to the liquor industry.' You are taking advantage of that. You are abusing the Senate. You are abusing the tools that you have got available to yourselves through the tariff proposal process by circumventing the express will of the parliament, which has rejected your proposed increase in the tax on RTDs. You are using a tricky process to circumvent the will of the parliament.

As Senator Xenophon and Senator Siewert mentioned earlier, this is a bit like *Groundhog Day*, and it could well become even more like *Groundhog Day*. Are you suggesting that every 12 months now you will bring this legislation to parliament and, if the parliament keeps rejecting it, you will just keep reintroducing another tariff proposal? So for the next three years, or as long as this government is in place, you are essentially going to thumb your noses at the parliament and say whatever you want, like, 'We know you will have to validate the revenue again in 12 months time because we know that the situation we are in today is the situation we are going to be in in 12 months.'

Because we are sensible people, we do want to do the right thing. We do not want to see \$400 million go back to the liquor industry. You are probably quite reasonable in your assumption that, if we were in the same circumstance 12 months from now, we would again say, 'No, we don't want those funds to go back,' but that is an abuse of our goodwill. It is an abuse of the good faith that has been demonstrated by non-government senators in this chamber. The government ought to reflect very carefully on this. If this legislation is defeated again, it would be entirely inappropriate for the government to continue to use the tariff proposal process as a back-door way to circumvent the express will of the parliament. In that, I very much agree with the comments made by Senator Siewert and Senator Xenophon.

I hope that before this debate is concluded this morning—and I have spoken long enough now, I hope, to allow this to happen—officials in the advisers box will be able to find some very, very simple answers. Have you further revised downwards your revenue estimate as a result of the increased tax on RTDs? I want it to be presented in a form that is comparable to from \$3.1 billion down to \$1.6 billion. What is the revised estimate now? And what is your estimate of the sales of RTDs from 1 July 2009 moving forward?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.02 am)—Can I respond to the question from Senator Cormann by saying that estimates for the alcopops measure were published in the explanatory memorandum. We will get further information for you when we have the budget papers at hand. That is a commitment: to provide that to you as quickly as possible. It probably will not be in the context of this discussion today, but there is a commitment that I have

from officials that we will get that information to you as quickly—

**Senator Cormann**—You have not got the budget papers with you?

**Senator McLUCAS**—No. We are actually debating a validation measure, not the budget, so we did not bring the budget papers.

**Senator Cormann**—So none of your officials have got access to the budget papers?

**Senator McLUCAS**—As I said, we will get that information to you very shortly.

**Senator Cormann**—You are trying to avoid answering the question.

**Senator McLUCAS**—I am not avoiding answering the question. That is the advice I have from the officials.

Senator Xenophon has asked me—he cannot be in the chamber at the moment—to reconfirm our position on advertising and particularly on prevetting. Once again, I refer him to the communique from the Ministerial Council on Drug Strategy meeting on 24 April. Ministers who sit at that ministerial council supported a series of proposals about an alcohol-advertising regulation to be presented to COAG. People will recall that COAG has actually asked the Ministerial Council on Drug Strategy to undertake a very comprehensive piece of work—and we have reported back to COAG—which goes to the questions of prevetting; the ABAC management committee having a more balanced representation of industry, government and public health; expanding the adjudication panel; expanding the coverage of the scheme to include emerging media and other forms of media; including the naming and packaging of alcohol products; and, for the first time, meaningful and effective sanctions for breaches of the code. Senator Xenophon, I hope that that answers the intent of your

questions. I urge the chamber to pass these bills.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (11.05 am)—Minister, what discussions have been held between the government and various bodies addressing the advertising of alcohol and putting in place restrictions on alcohol advertising on television specifically? Can you outline to the chamber what discussions the government has had with regard to putting in place tougher advertising restrictions on alcohol with regard to television?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.05 am)—I refer you to the communique. I will get you a copy if you have not received one. COAG requested the Ministerial Council on Drug Strategy to look at the Alcohol Beverages Advertising Code, which was meant to ensure that alcohol advertising is responsible and does not encourage underage drinking. We recognise, though, that the current system, which has been in place for some time, does have significant shortcomings and should be reformed as a mandatory co-regulatory scheme—an issue that you have referred to in the past, Senator Fielding, I think. You can be assured that the Ministerial Council on Drug Strategy is progressing this matter and we will hopefully be responding to COAG for its June meeting, although this is not actually confirmed yet.

**Senator CORMANN** (Western Australia) (11.06 am)—Senator McLucas, we have just very helpfully and very constructively provided you with a set of budget papers—and I have a set of budget papers over here. You might say that this is not about the budget bills, but this is a measure that was part of last year's budget. The only target in last year's budget was a fiscal target. There was no public health target, no target to reduce

binge drinking, no target to reduce alcohol abuse and no target to reduce alcohol abuse related harm. There was one target: that was a fiscal target. That target was that you wanted to raise \$3.1 billion worth of revenue.

Through estimates, we sought to assess—as is properly the role of Senate estimates committees—the performance of your government against that target, and your government was ducking and weaving. When I first asked, through the Senate estimates process, how much additional revenue you had raised as a result of this measure, the answer that outrageously first came back was that the information was not publicly available, as if Senate committees can only ask questions about things that are on the public record. It was outrageous. You forced us to come into this chamber and to propose an order of the Senate ordering you to produce the information that, quite frankly, you should have been able to provide on the spot during Senate estimates. That is when we found out that your revenue estimate had collapsed. But by then you had had enough time to develop your political strategy and your failure to meet the fiscal target was sold as evidence of your success in achieving the alleged public health target.

You are continuing to play the same games. We are here doing the right thing. We are here to validate revenue that you have collected so far without the validation of parliament. We want to know how you are performing against the revenue estimates that you have put into the budget. Last night the government tabled another budget. I want to know whether you continue to assume that the sale of RTDs will go up by 7.8 per cent every year from 1 July forward—because, as recently as December 2008, that was your expectation. Your evidence that this measure has worked, which is based on the premise that this year's sales are down and so binge

drinking must be down, is shot down in flames by the fact that your government expects sales to increase as of 1 July 2009 by 7.8 per cent every year. If you have revised it, I would like to know. Surely you should be able to point without much problem to what the revised revenue estimate is. And I want it adjusted such that it is actually comparable—apples with apples. Compared to the \$3.1 billion down to the \$1.6 billion, what is your revised revenue estimate as a result of the measure that was introduced in April 2008 and, in the presence of this increased level of taxation on RTDs, what is your expectation moving forward in terms of sales volumes of RTDs?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.10 am)—I would point Senator Cormann to Budget Paper No. 1, page 529, where he will find a partial answer to the question. Senator Cormann, we have a thing in the Australian Senate called Senate estimates. That is the appropriate place to be answering the level of detail that you are asking for. The figures that we have in that document are aggregate figures. I encourage Senator Cormann to use the Senate estimates process to ascertain the answers to his questions. Alternatively, the offer that we have from the officials here in this place is to, firstly, confirm absolutely the question you are asking. It is not quite clear what you are asking. Secondly, the offer to provide you with that information as soon as possible is still there.

**Senator CORMANN** (Western Australia) (11.11 am)—Minister, that answer is, quite frankly, outrageous. This government has been ducking and weaving when it comes to being open, transparent and accountable on the fiscal effect of this measure. This was only ever a tax grab. You aimed to raise \$3.1 billion in revenue. It took us a year to pin you down and get you to acknowledge that

your revenue estimate had collapsed down to \$1.6 billion. We are now two minutes to midnight, not because of our doing but because of your doing. You are introducing this legislation and in good faith, as reasonable people, we have agreed to pass this legislation today. But we want to be reassured, and we think the Australian people deserve to be reassured, about what the fiscal effect of this measure is going forward.

If you put the Senate into a position where we have to deal with this legislation today—where this legislation has to be passed by midnight tonight—I think the government ought to reciprocate with a little bit of good faith and stop this stalling, ducking, weaving and trying to cover up and hide information. Let me be very, very clear about the specific information that I am looking for. Have you further revised downwards, yes or no, the estimated revenue out of the increased tax on RTDs? Firstly, tell me yes or no. If it is yes, by how much? If it is no, that is fine; you can just say no. Do you still expect, as you did in December 2008, that the sales of RTDs will increase by 7.8 per cent per annum from 1 July 2009 forward? Yes or no? If it is yes, that is fine. If it is no, tell me what your revised expectations are in terms of the sale of RTDs moving forward. They are very simple questions, and they are questions that the Senate and the people of Australia deserve an answer to.

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.13 am)—I remind Senator Cormann that the names of the bills that we are debating today are the Excise Tariff Validation Bill 2009 and the complementary Customs Tariff Validation Bill 2009. Those bills are asking for the validation of \$424 million that has been collected over the last 12 months because of the imposition of the alcopops tax. So, as to your assertion that the Australian people need to be reassured

that the fiscal position is known, I can absolutely, unequivocally answer that, if these bills are passed today, \$424 million will not go back to the distillers and the importers. It will be collected and used by the government in a range of ways, including a whole range of measures that we have talked about for the last couple of hours. That is the position that the Australian people, I believe, totally understand. I re-offer to assist on those specific questions that you have asked as soon as possible.

**Senator CORMANN** (Western Australia) (11.15 am)—For the record, I note that the government is not prepared to answer some very straightforward questions. I am very well aware which legislation we are debating, but I would also remind Senator McLucas that she herself, in her reply to the second reading debate, advised the Senate of the new tariff proposals introduced by the government and of the government's intentions moving forward. The validation bill in front of us today is part of a continuing process. It is a process that started on 26 April with the government's organised leak on what it intended to do on this. Sorry, the leak was on the Medicare levy surcharge thresholds. I am getting myself confused! This process started with the announcement on 26 April 2008 that the government would effectively increase the taxation on RTDs by 70 per cent by getting rid of the category of 'other excisable alcohol products with an alcohol content of less than 10 per cent'. It started in April 2008. It went through the whole debate we had in two Senate inquiries and the debate we had in March.

We as a Senate are here helping the government to mop up where they had created a serious problem for themselves. We are demonstrating good faith. We are accommodating the government because we think it is the right thing to do. And we know that the government continue to play games and re-

fuse to answer very reasonable and precise questions. I can only have one assumption as to why you are ducking and weaving and not prepared to answer my questions on the record. I can only assume that you had to revise your estimates further downwards. I can only assume that you are expecting that there will be continued growth in the sale of RTDs from 1 July 2009 in your revenue estimates and that, in the context of this debate, you are not prepared to let the cat out of the bag. You are not prepared to say on record here today that, yes, the government continue to expect that the sale of RTDs will continue to grow moving forward. The reason you do not want to say it is because it shoots down in flames your core argument, the only argument you have been able to come up with, which is that sales have gone down in 2008-09 and so binge drinking must have gone down. It is a totally flawed argument that not even your government senators on the Senate Standing Committee on Community Affairs agree with. I think the point is well made.

I do hope that the parliamentary secretary's commitment in this chamber today will be followed through by her officials and that sometime this week—and I would like some reassurance on this from the parliamentary secretary—I will be provided with the information I have asked for.

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.18 am)—Senator Cormann, you have said that you would like the information sometime this week. I am sure you would understand how busy Treasury is the day after a budget. The advice I have is that the information will be provided as soon as possible, and maybe by the end of the week. But I do not want to say on the record that you will have the information by Friday because if it does not come until Monday I am sure you would be grumpy with me. It is an honest commitment. We are

not trying to duck the issue. The figures that you are asking for are not explicit in the budget papers.

**Senator Cormann**—Funny, that. That's where I was looking for them.

**Senator McLUCAS**—The table I referred to in Budget Paper No. 1 is exactly the same as your government would have produced, so the allegation of a cover-up is unfounded. That is an honest commitment to get to you as soon as possible the detail that you have requested, but we may have to talk to you about what in fact you are asking for because that is absolutely not clear to some of the officials.

**Senator CORMANN** (Western Australia) (11.19 am)—I thank Senator McLucas for that commitment. I will not hold up the Senate much longer, but I just want to explain why I am a bit suspicious. On 16 March the government came into this chamber in relation to another Senate order in the health portfolio. The Senate had ordered the production of about 300 documents in relation to private health insurance reforms. The government made a statement in the Senate that they had to take some time to go through them all but that the information would be provided as soon as possible. It took two months before that information was provided.

I am a bit confused as to why the officials would be confused about my questions. I would refer them back to the answers they provided in response to the relevant Senate order on the RTD measures, which followed on from the Senate estimates process. I am quite happy to provide that in a written form if people have difficulty finding it. But, very specifically, there was a table provided then out of the MYEFO information, after a lot of prodding and searching and asking, which indicated what the expectations were in terms of the sale of RTDs moving forward.

These assumptions are quite important because they are the foundation of your revenue estimates. If you are telling us that you expect sales to go down then your revenue estimate of \$1.6 billion is absolutely unachievable. Your revenue estimate of \$1.6 billion, which is the most recent estimate that I have got in front of me, is based on an assumption by the government that the sale of RTDs will go up by 7.8 per cent from 1 July 2009. I am not inventing that. That is information that I was provided by Treasury out of the MYEFO data. So I would urge people to go and have another look.

The other information I was provided was that the \$3.1 billion revenue estimate that was in place at the time of the May 2008 budget announcement had been downgraded to \$1.6 billion. Has it been downgraded further? If yes, by how much? I hope that that is clear enough. I am really confused about this, quite frankly, though I assume that the government is not keen to answer these questions here and now, that they would much rather have time to manage the political spin and the PR strategy before releasing that sort of sensitive information.

**Senator XENOPHON** (South Australia) (11.22 am)—If I could just get clarification from the minister in relation to the time frame for the prevetting of advertising, and if I could have on the record the issue to do with alcohol labelling. I have had a private discussion with the minister, but I think it is important to have that outlined. Also, from a policy point of view, the government's rationale is that the 'deal', for want of a better word, with my colleagues the Greens and me was that the additional \$50 million would be spent if the bill went through. If the deal went through, it would mean \$1.6 billion in revenue of four years. The fact is we are now validating some \$400 million in revenue since the measure was announced. In good faith and in the spirit of the agreement, why

won't the government commit to a least a pro rata expenditure of these projects that the government said were worthy projects that would actually make a difference to binge drinking? Or will the government at least say they will seriously consider making a pro rata contribution in relation to these projects on the basis that they are projects that the government considered would be useful in tackling binge drinking?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.24 am)—Senator Xenophon, was the first question about the time frame for the prevetting?

**Senator Xenophon**—Yes.

**Senator McLUCAS**—I missed the second question, sorry.

**Senator Xenophon**—The labelling.

**Senator McLUCAS**—Thank you. I refer you to the communique from the Ministerial Council on Drug Strategy. What has occurred is that we have a report that was requested by COAG. We will provide that, we hope, to the June/July meeting of COAG and then it will become a COAG document. We have done the analysis work. It is being driven by COAG and we expect COAG to deal with it at that meeting. It is comprehensive. It goes to prevetting; the membership of ABAC; the adjudication panel being expanded; taking it outside of the current restrictions on media to emerging media, to point of sale and to naming and packaging; and, importantly, as I think you would agree, the potential for meaningful sanctions being applied to breaches of the code. That is the time frame. MCDS has dealt with it and it will now go to COAG.

Your second question was around labelling. You would be aware that COAG asked FSANZ, Food Safety Australia New Zealand, to look at labelling around alcohol. That work is progressing. It will also go to

COAG as a part of that package. The Food Regulation Ministerial Council has agreed for that to occur as well. But, once again, that is coming to the pointy end of getting that information to COAG.

Your third question was: why won't the government commit to a pro rata allocation of that \$50 million? I refer you to the letter written to you from Minister Roxon dated 17 March. That is our commitment. It still stands. When these measures are passed, that letter and the contents of it will stand. That is the commitment we have given.

**Senator XENOPHON** (South Australia) (11.26 am)—I thank the minister. That begs two questions. Firstly, what will happen in June if the substantive bill is not passed? Secondly, I think it was implicit in the agreement reached between my colleagues the Greens and me that that was on the basis of the package passing to the extent of \$1.6 billion, with an additional \$50 million to be spent. You are getting \$400 million now as a result of this measure—a quarter of it. Why won't the government, in good faith, consistent with the spirit of the agreement, agree to pro rata expenditure for these very worthy programs—or is this going to be the way the government is going to operate with the crossbench? If an agreement is made in good faith, are you going to take a very technical, narrow, legalistic view without looking at the spirit of the agreement and the good faith in which the crossbench negotiated with the government in relation to these measures?

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.27 am)—Senator Xenophon, I absolutely reject your notion that we are not operating in good faith. We, in good faith, made an arrangement with you and the Greens that we will allocate \$50 million should this measure pass. Once again, we are now having another debate rather

than the validation debate. That is the situation. We stand by that agreement. That is not going to change. In terms of having some sort of pro rata arrangement, it is our view that the measure should be passed and then we can, in good faith, deliver the measures that you and Minister Roxon's office have negotiated. That commitment is unwavering.

**Senator XENOPHON** (South Australia) (11.28 am)—I do not know whether Senator Siewert agrees with me on this, but the government's version of good faith and my version of good faith are somewhat different. But I will leave it at that.

**Senator SIEWERT** (Western Australia) (11.29 am)—It is not good faith for the government to not indicate to this chamber and to the Australian community what it intends to do if the bill goes down. If the bill goes down in June, the Australian community want to know whether the government intends to keep this tax going for the next 12 months. Does it intend to? Does it have the capacity to? It told us before that it did not have the capacity to keep the money raised through the collection of the tax over the previous 12 months. That is what it clearly told us—that it did not have the capacity to do it.

The minister came out on the night that the tax went down and said very clearly that that meant that all the money would be going back to the distillers. I appreciate that the minister was very upset and angry that the bill did not go through. I, in fact, shared that feeling, because the Greens supported it. But we were clearly told that they could not do it. It is clearly wrong; they can. Can you tell me that it is appropriate governance of this country for the government not to have a clue what they are going to do if the bill goes down? We do not have an idea about whether they intend to collect the tax because they have not looked beyond June? Come on!



What a con of the Australian community. You are clueless about it. Pull the other one!

Bills reported without requests; report adopted.

### Third Reading

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.31 am)—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

### AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP BILL 2009

### AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP (CONSEQUENTIAL AMENDMENT) BILL 2009

### Second Reading

Debate resumed from 12 May, on motion by **Senator McLucas**:

That these bills be now read a second time.

**Senator HURLEY** (South Australia) (11.32 am)—Continuing my discussion about why the Australian Business Investment Partnership (Consequential Amendment) Bill 2009 and the Australian Business Investment Partnership Bill 2009 are needed, I want to say that one of the key issues is employment, and this has been a continuing mantra of the Rudd Labor government. The commercial property sector alone employs approximately 150,000 people. Treasury figures indicate that, without action, a combination of weak demand and tight credit conditions could see up to 50,000 people in this sector lose their jobs, with flow-on effects to jobs in other parts of the economy, such as the construction industry. Employment in the construction industry has dropped by 15,000 people in the six months from August 2008 to February 2009. This is a sector that is al-

ready being affected. The Senate Standing Committee on Economics heard that another 75,000 jobs may be lost in the construction sector if no action is taken by the government to support contingency measures such as the establishment of ABIP.

There are also implications for Australian superannuation funds should an artificial collapse in commercial property values occur. More than one-third of the equity in the commercial property sector is held by superannuation funds, representing 10 per cent of aggregate funds in superannuation overall. So a distorted decline in the value of commercial property assets would flow through to impact the wealth of over 10 million Australians through their superannuation funds. We all know that superannuation funds, for ordinary people, have been fairly adversely affected by the decline in the stock market already. The Rudd Labor government wants to ensure that funds are not further affected by an overcorrection in the commercial property sector.

The coalition, in their dissenting report, describe ABIP as ‘an unnecessary overreaction to an unlikely possibility’. This seems to be a fairly common reaction of the opposition regarding any and all measures the government is taking to respond to the global recession. I think the Treasurer, Mr Wayne Swan, put it well in his speech in the second reading debate on this bill. He said:

When I was at the G20 finance ministers meeting on the weekend I learnt that these are measures which have been implemented by conservative governments around the world. They have not been condemned for being risky. They have implemented them because they are prudent, because we are in extraordinary circumstances. But there is not one measure this government has put in place that those opposite have seen fit to support in order to support Australian jobs.

It is also worth saying that the Reserve Bank governor's response when asked about ABIP was:

I do not have any problem with there being a plan in the top drawer to do that should it be needed.

We hear from the opposition, though, that contingency measures such as ABIP are unnecessary to ameliorate abnormal economic disruption, protect jobs in the commercial property and construction sectors and prevent further declines in the superannuation incomes of tens of millions of Australians. The possibility of a foreign withdrawal of investment from the commercial sector is an unlikely possibility, they say, because no evidence was tendered to the committee of the intention of foreign banks to withdraw from the Australian market. But I utterly refute this statement. It is not what we heard in the Senate economics committee inquiry. The committee heard from a number of witnesses, via written submissions, in public hearings and in in-camera hearings, evidence raising concerns that foreign investment may be withdrawn, as well as evidence that this is already occurring. The procession of witnesses that we heard continued to raise these issues. We heard from the Property Council, from BIS Shrapnel, from Mr Frank Gelber, from the Master Builders Association and from AMP that this was a serious issue of concern. They were unequivocal in their responses. And it is very interesting to me that the coalition have obviously stopped listening to people such as the Property Council and the Master Builders Association. But they continue to say this rather than provide support to a prudent government measure.

One of the issues of concern the coalition had was the withdrawal of foreign investment, the manufactured concern that ABIP may encourage the withdrawal of foreign investment. This was comprehensively shown to be based on a false premise. As

explained in the majority report, the assumption that foreign banks could use ABIP to effectively walk away from Australian assets without losing money assumes that ABIP would step in to finance property assets at their original price. In fact, ABIP will only lend based on contemporary market values, not the original values of the commercial property. Put simply, there will be no financial incentive for a foreign investment bank to withdraw finance for a project in the Australian commercial property sector as a result of ABIP. In fact, the committee heard that ABIP could actually strengthen the security of investment in the commercial property sector by restoring confidence in the sector and increasing stability and liquidity in the sector. That means that banks would have much more confidence in the ability of the commercial property sector to remain stable and not to decline. Therefore they would be much more likely to keep their money in that sector rather than withdraw.

Another issue of concern was that the proposed board structure of ABIP lends itself to a conflict of interest and the abuse of market power by the major banks. However, again this argument is incorrect and indicates either a wilful or a genuine misunderstanding by the coalition as to what ABIP would do. ABIP would only be financing commercial property at the current market values and no incentive exists to sell out of investment in an unprofitable asset. Furthermore, not only can the major four banks not have their own loans refinanced; they cannot reduce the size of their investment in a syndicate either. The proffered argument, which notably did not specify commercial property markets, that most syndicated loan arrangements usually include one of the four major banks simply serves to demonstrate the highly unusual circumstances that would arise should ABIP be accessed. It also serves to demonstrate the

lack of detailed analysis by the opposition of these bills.

In respect of protecting Australian jobs, the opposition arguments amount to the fact that ABIP does not create employment. The fact that the committee was told that if ABIP is required it could provide job security to more than 100,000 Australians is apparently inconsequential. The Rudd Labor government has said again and again that it is about protecting jobs in this global economic downturn.

The question of the scope of ABIP and why the government would need to establish ABIP to support the commercial property market and not other industries heavily reliant on foreign investment, such as mining, is a completely contradictory argument. On the one hand the coalition are saying we should not have a provision for the commercial property sector, and on the other they are saying we should include these other sectors as well. It is a completely nonsensical argument, and evidence tendered to the committee demonstrated that it was the commercial property sector that may be vulnerable to withdrawal of foreign finance and not in particular the mining or agriculture sector or any other sector.

The committee did, however, receive evidence that the scope of the bill was in fact too broad and potentially allowed ABIP to enter arrangements outside of the commercial property sector, particularly the residential sector. This was in the case where there might be a bit of overlap in the investment, for example. However, in view of the fact that ABIP can only make loans with the unanimous support of the board, which the government chairs, and only has the temporary capacity to make loans for two years, sufficient protections should exist to prevent loans being abused in this way. ABIP will operate as a lender of last recourse, with a

focus on commercial property projects and assets. I believe that is very important, because where a bank such as this is set up the government must of course keep that at arm's length so that it does not have any conflict of interest. That means relinquishing some ability to keep control of that organisation, and those of us from South Australia are particularly aware of the dangers of this and are very sensitive to issues about whether ABIP would be able to broaden out from the commercial property market and go into other areas. I certainly would regard with extreme caution any ability of the bank to do that. But, because it is temporary, because it is a contingency measure, because it is a last recourse lender, I have some comfort in the way that this bill is structured that this bill is designed to deal with this particular area.

Exemption from the Trade Practices Act also has been raised, but I think there was convincing evidence that ABIP is not a cartel arrangement. The point was made by the Treasury that all shareholders would be subject to confidentiality arrangements and directors' provisions under the Corporations Act and that again the short-term nature of ABIP and its function as a lender of last recourse require short-term certainty around its operations to ensure it operates effectively if required. The fact that this is coming to the parliament to be considered means that the government has been completely open about this, and I do not believe that there was any evidence that it would be a cartel type arrangement.

In conclusion, the vast majority of submissions and evidence provided to the Senate Standing Committee on Economics during the inquiry argued that ABIP was a prudent and effective contingency measure to counter a potential impact of the global recession on Australia's commercial property markets. When considering international measures being taken to address similar pro-

posed withdrawal of foreign investment, ABIP was described by the Property Council as being 'focused' and 'elegant' and far better than schemes being considered by any other country with a similar focus.

The full ramifications of the global recession are unfortunately as yet unknown. We are dealing with an unprecedented global economic crisis that requires us to be flexible and use our initiative in our approach to protect Australia's standard of living, primarily through our protection of jobs. We have been told that, should a collapse occur in the value of commercial property through a withdrawal of foreign investment, unnecessary and harmful economic disruption will occur. In some cases foreign banks have already withdrawn from the commercial property sector and there is a possibility this may continue. It would be irresponsible to oppose any measure that has the potential to prevent unnecessary harm to our economy, and therefore I commend these bills to the Senate.

**Senator XENOPHON** (South Australia) (11.45 am)—The Australian Business Investment Partnership Bill 2009 is one of those bills that presents a dilemma for this parliament. That is because in legislation as in life wanting to help is not the same as actually helping. My main concern, one that I believe is broadly shared with my coalition colleagues, was that I did not want any new legislation to create unintended consequences. I did not want ABIP to create a cartel or another bank. I did not want ABIP to prop up ventures that should by any commercial standards not be propped up. I was concerned that the creation of ABIP might serve as an incentive for foreign and smaller domestic banks to withdraw from the market and, ultimately, I was concerned about what this means for taxpayers.

Taxpayer funds are not like shareholder funds. Shareholders choose to get into busi-

ness. They assess the risks and decide whether to put the money on the table and take a risk. Taxpayers do not do that. They pay their taxes because they have to, which is why I believe there must be a higher standard for the way we use taxpayer money, particularly where there is a contingent liability and especially when the government enters into a business arrangement with businesses. Throughout this debate I have raised a number of concerns about this bill with the government and I am pleased that the government agreed to a Senate inquiry process by the Senate Committee on Economics, of which I was a part, because that was a very valuable exercise in getting more facts, in getting the information that I believe was necessary in order to make an informed decision on this piece of legislation.

I want to outline my concerns and put them on the record in the context of my discussions with government, but before I do that I want to outline the concerns expressed by Senator Bob Brown on behalf of the Greens and Senator Fielding on behalf of Family First. Senator Brown has maintained a long-term campaign on the issue of executive remuneration. I commend him for that campaign and, as I understand it, his position is quite straightforward. If you are going to have a situation where taxpayer funds will be used to assist the private sector, there must be a quid pro quo on the whole issue of funding of executive remuneration. Whilst I do not see that going directly to the core of this bill, I respect and appreciate the concerns of Senator Brown and I will be supporting the Greens amendments to curtail executive remuneration packages for those entities that are assisted in what ABIP is proposing to achieve. I think that is important and I think the government should take the concerns of the Greens seriously with respect to executive remuneration.

Senator Fielding has raised a number of concerns in relation to the issue of ensuring that there are safeguards in lending criteria. In his contribution yesterday, Senator Fielding said:

... ABIP must satisfy lending criteria which, at a minimum, are just as strict as the lending criteria applied by any other commercially competitive bank.

I commend Senator Fielding for raising that. These are my concerns also, and I look forward to seeing an amendment to the legislation that the government, I understand, is preparing or that Senator Fielding will be introducing on this, because I believe that is a legitimate concern in safeguarding shareholder funds.

I have also raised concerns with respect to the issue of the role of the Auditor-General. I put on notice to get a response about the role of the Auditor-General from the government either in their summary of the second reading stage or during Committee of the Whole. The bill provides for the Auditor-General to have a role to audit the books, to have that supervisory role, if you like, in relation to the accounts of ABIP. I simply seek confirmation that the Auditor-General is unfettered in his role with respect to that and that if at any time there is a concern about the operation of ABIP the Auditor-General has the right and the role to, if not intervene, investigate any concerns—which is I think highly unlikely given the governance structure of ABIP. Similarly, as I understand it, ASIC will have a supervisory role here in the operation of ABIP, and confirmation of that from the government would be helpful.

There is the issue of trade practices law that Senator Hurley referred to. The issue of exemptions from the act is one that concerns me. There has been an increasing trend to exempt, to have arrangements where an exemption is granted under the act. This is

something that Associate Professor Frank Zumbo from the University of New South Wales Australian School of Business has raised, and I am grateful for his input into this. Some may not be as grateful as I am for the contribution that Professor Zumbo makes. I note that Senator Arbib is having a chuckle at that.

**Senator Arbib**—He's back.

**Senator XENOPHON**—Senator Arbib, I am grateful for the contributions that Associate Professor Zumbo makes in the field of trade practices law. The suggestion from Associate Professor Zumbo is that there ought to be monitoring and reporting by the ACCC on the exemption that has been provided to ABIP and that there should be a report, preparation of a competition impact statement and ongoing monitoring by the ACCC of this.

My impression is that the ACCC has not had enough input into this. I understand, given the urgency of the scheme and the intent of the legislation, why there is an exemption but I also think it is important to have a monitoring mechanism. That is why I will be moving amendments with respect to monitoring this. I am pleased that in my discussions with the government they broadly supported that principle. It does not stop ABIP doing what it is intended to do but it does have that level of scrutiny and transparency, which I think is important.

I have also raised with the government the broader issue, which is not directly relevant to this particular bill, of there being broader, systemic scrutiny by the ACCC of exemptions, and I look forward to the government's response in relation to that, because I think it is overdue. We need to have a good look at the exemptions to the act that are granted. After all, the Trade Practices Act is intended to protect consumers, to enhance competition and to do so in the public interest. My con-

cern is that there have been a whole range of exemptions without appropriate scrutiny by the ACCC. I look forward to what I hope will be the government's comprehensive response in relation to that.

In the committee inquiry the issue was raised of the unintended consequences of this bill. There was an interchange between me and Mr Peter Verwer, the CEO of the Property Council of Australia, who raised a concern about moral hazard. He asked: could the legislation have the unintended consequence of encouraging foreign banks to get out of the market by virtue of the asset value being maintained? I understand that Mr Verwer has resiled from the position that he put to the committee. He has further reflected on that and he has made that very clear to me and publicly.

I have also had discussions both with Treasury and with Mr Ahmed Fahour, the interim CEO of ABIP. I am satisfied that the intent of ABIP is to be there as a last resort, as a contingency measure. Mr Fahour said in his evidence that he would hope this contingency facility is not used but that it is there to give a level of confidence to the marketplace so that we do not see a fire sale of assets. Mr Fahour made the point that liquidity is a key factor in decisions that are made by foreign banks or any other member of a syndicate in determining whether they stay in or out. I believe that, based on the evidence and on the structure that is proposed, there will be that level of confidence, which will provide a level of comfort so that we will not see fire sales and so that liquidity will be propped up. I think that that, on balance, is the right approach. The right thing to do is to ensure that we have, with appropriate safeguards, a mechanism to allow for lending of last resort on commercial terms if foreign banks pull out of the property market.

I want to comment briefly on Mr Fahour as interim CEO. Whilst the primary concern of this legislation ought to be the government's structural mechanisms, it is interesting to note that Mr Fahour is involved. Even the critics of the ABIP proposal would have to acknowledge the contribution and the reputation of Mr Fahour as a former CEO of NAB Australia and his reputation in the banking sector. The government has been lucky to secure his services, given his track record in the banking system. I have had extensive conversations with Mr Fahour about the issues of governance, structure and the commercial viability of loans for commercial property. I have been reassured by the fact that Mr Fahour is interim CEO, and he has been helpful in providing information to me.

One of the issues raised by Mr Fahour was of administration, of making ABIP work. He expressed the concern to me that, if you outsource the administrative functions of ABIP, there could be issues. My concern is one of a potential conflict of interest in the decisions that ABIP makes. That is why I will be moving an amendment, following my discussion with Mr Fahour, that the Export Finance and Insurance Corporation be involved in assisting ABIP Ltd—as agreed to between the EFIC and ABIP—in financing arrangements, with respect to borrowing money and doing such things as are incidental to making ABIP work. Given the role of the EFIC and the fact that it has commercial expertise similar to that which ABIP will have, the EFIC would be the appropriate entity for ABIP to go to. You would not have the conflict of interest issues that you might if it were outsourced to the private sector, and EFIC is up and running and already in place. I would urge senators to support an amendment along those lines. To me that seems a very pragmatic and sensible way to deal with these particular concerns in terms of having ABIP up and running.

I indicate that—subject to seeing the amendments regarding the commercial viability of loans, the lending criteria being commercial and the safeguards for taxpayers, as well as indicating my support for the executive remuneration amendments of the Australian Greens—I support this legislation. I want to make it clear that I believe the government has, as a result of the Senate committee inquiry process, acknowledged the issues of competition policy and exemptions from the Trade Practices Act and the need to monitor that. With the government clarifying the issue of ASIC's involvement, the Auditor-General's involvement and governance issues with respect to ABIP, I believe that this is a prudent way forward. I hope that, as a contingency measure, ABIP is not used. It is a short-term measure whilst we go through these quite turbulent economic times. I support the second reading of this bill.

**Senator BUSHBY** (Tasmania) (11.59 am)—I rise today to speak on the Australian Business Investment Partnership Bill 2009 and the Australian Business Investment Partnership (Consequential Amendment) Bill 2009, which together seek to set up what has become known as 'Ruddbank'. These bills are said to be needed as a direct consequence of the impact of the global financial crisis on the commercial property market in Australia. Last night we had the first budget from the Rudd Labor government since the financial crisis hit, and I would just like to make a couple of points about that in the context of the ongoing effects of this crisis on the Australian economy and the dismal failure of the budget to set up Australia to come out of it well at the other end.

The budget shows we will have a cumulative deficit over the next five years of some \$220 billion. International ratings agencies have overnight said that this level of deficit and debt will not threaten our AAA rating, and that is good news because that would be

a disaster for Australia. But the very fact that they had to consider this is itself damning. In less than half a term this Rudd Labor government has taken us from a strong healthy surplus into a position where we are recording record deficits and accumulating debt faster than at any other time in our nation's history. And, yes, this is happening in the context of a massive international financial shock. But one simple fact highlights that the government cannot shift all the blame for this massive debt accumulation onto the financial crisis. That is, around two-thirds of the projected net debt, or over \$120 billion of it, is accounted for by new discretionary spending by the Rudd Labor government. Put simply, despite the effects of the international crisis, our projected net debt could have been only one-third of what we are facing if the Rudd Labor government had not been so profligate in spending the money of Australian men and women and their children. It is worth noting that the projected net debt arising from this massive spending increase will lead to a debt of around \$9,000 for every man, woman and child in Australia and, further, that every man, woman and child will have to pay \$500 in taxes every year just to cover the interest bill before they pay taxes to be used for services like health and education.

These bills create a partnership between government and the private sector through the big four banks, ostensibly as a contingency measure proposed to cover the possible need for the refinancing of viable commercial property projects just in case the foreign banks decide to withdraw from the Australian commercial property market. It is yet another Rudd Labor government policy announcement accompanied by extraordinary and alarmist suggestions regarding the number of jobs at risk if this particular government policy is not adopted. Indeed, the Prime Minister has claimed that up to 50,000 jobs

could be lost in the event of the rejection of these bills by this place, our democratically elected Senate.

This claim that it is necessary to implement ABIP as a job-saving measure, as opposed to an attempt to stabilise the financial system, has generated confusion and mistrust, as Mr Rudd has once again attempted to parade around like a knight in shining armour, single-handedly saving Australia and its people from the global financial crisis. However, the reality is that the proposal contained in these bills is bad and irresponsible policy for a wide-ranging array of reasons. The stated purpose of the bills is to protect the Australian commercial property market from the withdrawal of foreign banks. However, no evidence was presented to the Senate Standing Committee on Economics of the intention of any foreign bank to withdraw from this market. In fact, there is a very solid case to suggest that the establishment of the ABIP will encourage foreign banks to withdraw from the commercial property market in Australia and actually fuel the problem that the bills have been proposed to deal with. The only conclusion that can be drawn is that this is an unjustified overreaction to an unlikely possibility.

Professor Henry Ergas from Concept Economics, in his submission to the committee, stated:

Treasury has not presented any compelling ... evidence of the need for the interventions that are contemplated in this Bill. Taxpayers have been provided with no guidance as to exactly which foreign banks are contemplating exit from Australia, how much money is actually involved, which assets might actually be affected, which syndicates and domestic banks are actually affected, the actual commercial terms under which these agreements have been made, or the precise nature and size of the economic effects that would ensue should withdrawals occur.

This would indicate that the legislation is simply just precautionary. If this particular line of economic reasoning of the government's was applied more widely or taken more seriously, it would set a very dangerous precedent, given that Treasury has developed no framework to limit future allocation of taxpayer funds for precautionary reasons in this or any other such cases where comparable precautions could be justified. Henry Ergas gives the recent decline in world commodity prices as a potential example of a situation where this new precautionary approach could be justified. Given that global commodity prices have fallen and they affect Australia's terms of trade, exchange rates, gross national income, gross domestic product and employment, would Treasury also favour precautionary government measures to combat such movements? Maybe there will be a return to the bad old days of inefficient quotas, widespread tariff protection and commodity price stabilisation schemes.

The government is selling ABIP as being necessary to support jobs in the commercial property sector against significant withdrawal from the Australian market by foreign banks. So how real is the threat of foreign banks withdrawing? The Reserve Bank's February 2009 statement on monetary policy states:

Over recent months there has been some speculation that many foreign-owned banks will withdraw from the Australian market and that this will create a significant funding shortfall for businesses. While there is a risk that some foreign lenders will scale back their Australian operations, particularly if offshore financial markets deteriorate further, at this stage there is little sign of this, with most of the large foreign-owned banks planning to maintain their lending activities in the Australian market.

Advice from Treasury is that there has been no indication from foreign banks of possible withdrawal from the Australian market. Sug-



gestions of the intention of the Royal Bank of Scotland, the only bank that I have heard any suggestions about, to withdraw have also been scotched completely in a letter from that bank to Senator Hurley dated yesterday, which said:

RBS—

the Royal Bank of Scotland—

has not withdrawn from the Australian market. In fact, on 26 February 2009, RBS announced the outcome of the Group's global strategic review alongside its annual results. As part of that announcement, the Group confirmed that Australia not only remains a primary focus for the business going forward, but it is one of our six trading hubs situated across the globe.

So even the Royal Bank of Scotland, the only bank I have heard any rumours about at all, have denied that the rumours are true. If we look at the total score of how many foreign banks are looking at withdrawing from Australia, we come to zero.

So the quantity of taxpayers' funds to be put up to fund the ABIP represents an enormous sum of money to address a problem that is yet to have been proved to exist. It represents a new precedent by taking precautionary action against what in legal terms would be referred to as a mere spes: a possibility based purely on speculation rather than fact. However, rather than save jobs, the Rudd government, through this bill, may actually provide the catalyst for turning this mere spes into a reality. One of the biggest flaws in the ABIP Bill is that it is highly likely to actually cause the very problem it was designed to prevent. Highly respected economist Professor Henry Ergas has stated:

In the short run, the scheme seems likely to induce developers to play off their existing foreign lenders against the safety net the scheme provides. This could accelerate the very withdrawal of foreign lenders the scheme is intended to guard against, while allowing developers to secure some

free kicks on the basis of what amounts to taxpayer-funded insurance.

Whilst the ABIP is seemingly intended to dissuade foreign banks from exiting Australia, it actually provides an incentive for any foreign bank that wishes to exit by allowing easy repayment of their commercial paper at 100 per cent of face value, regardless of whether this would be available commercially. This effectively means that, through the ABIP, the Rudd Labor government is proposing to use Australian taxpayers' money to encourage foreign banks to withdraw from the Australian commercial property market by paying them out in full.

How does letting ABIP be used to prop up the balance sheets of foreign banks protect 50,000 Australian jobs? How is this being a responsible custodian of billions of dollars of taxpayers' money, particularly given that, according to the *Australian Financial Review*, foreign banks increased their loans to non-financial corporations in Australia by a double-digit percentage over the past year? The bottom line is that this proposal will make it much easier for foreign banks to exit the Australian market because they will be able to circumvent heavy losses on the loans. This also brings up another interesting facet of the ABIP debate—the vested interest of local banks in having the government take over loans of foreign banks. National Australia Bank chief executive Cameron Clyne said in February that there is little evidence yet that the foreign funds exodus is happening, and it seems that to date not one destitute real estate investment trust has testified to being abandoned by the departure of a finance syndicate member. In fact, in a great many cases it is the Australian banks driving the tough deals in refinancing.

There is concern from many of the bankers involved in refinancing that giving an easy exit to foreign banks will create an inequity between them and domestic banking

institutions, further complicating already tumultuous refinancing negotiations. Despite the comments by the Reserve Bank and the lack of evidence of foreign banks withdrawing, the fact is that there are refinancing pressures in the Australian market, and, to a significant extent, these pressures have been exacerbated—and even, in part, caused—by the decisions of the Rudd Labor government. It is a fact that significant amounts of syndicated debt will need to be turned over this year, not only in commercial property but also by Australian corporations in general. It is also true that many small and large Australian businesses are facing challenges in securing refinancing, but it needs to be acknowledged that, to a large extent, this is as a result of the crowding out of debt markets that was caused by the Rudd government bank guarantee which was introduced in October last year.

The question we should be asking here is whether the Australian taxpayers should bear the burden of averting a possible fire sale of Australian commercial property if the reason for this possibility being transformed from a mere *spes* into a reality is this poorly-conceived piece of Labor government legislation which is, ironically, intended to prevent that very outcome? The ABIP will expose the Australian people to a potential liability of \$28 billion. The Commonwealth will have a 50 per cent shareholding in the ABIP company, a \$2 billion commitment, with the other half being provided by the big four banks. But, if the ABIP requires additional funds over and above the initial \$4 billion, it will be able to issue loans up to an additional \$26 billion at the Commonwealth's risk alone—a potential addition of another \$26 billion to the already gargantuan \$200 billion debt legislated by the Rudd government, which, in the context of last night's budget, is clearly now going to be exceeded.

This piece of legislation has been sold to Australia as a job-saving measure, with the Prime Minister stating that it will prevent the loss of 50,000 jobs. But it quite simply will not. During one of the Senate Standing Committee on Economics hearings in the inquiry into the bill, in Sydney, Peter Verwer from the Property Council said:

ABIP does not put new money into the system and therefore is not a source of funds for new investment.

Put simply, this means that ABIP will not play a role in starting any new projects that would create employment, and it would appear on the basis of the evidence given at the committee hearings that employment in the commercially viable projects ABIP is authorised to invest in is unlikely to be at risk. It was made quite clear by Mr Verwer that they were not going to be investing in anything that was not absolutely top shelf, and if you have a top-shelf proposal, you are not going to need ABIP anyway.

It stands to reason that the only commercial property projects in which job losses might occur would be projects which were not commercially viable to begin with and would not qualify for the refinancing assistance offered by ABIP as a result. This would suggest that, once again, the Prime Minister's claims about protecting employment are completely lacking in credibility. Not only is the ABIP likely to be harmful in creating market distortion and putting taxpayers' funds at risk; it is also anticompetitive and unaccountable. The Minister for Finance and Deregulation states that the bill:

... specifically authorises the shareholders agreement, and the activities undertaken by ABIP, its shareholders, directors, officers, agents and employees in the furtherance of ABIP's objectives, to be exempt from the competition provisions of the Trade Practices Act.

This is justified by the minister as being essential 'to remove any uncertainty about the

operations of ABIP'. This, in fact, creates huge uncertainty as to how ABIP will actually operate.

In a situation where a law applies to the wider Australian community but not to this particular Rudd government quango, one must have misgivings as to how or even whether anticompetitive practices could be prevented in its absence. Evidence was given at the committee inquiry that the Australian Competition and Consumer Commission was not involved in discussions of any significance with Treasury about the implications of its exemption from the Trade Practices Act or the legal framework within which ABIP would operate. This is astounding given the ACCC's role as the competition watchdog of Australian business. To make things even worse, good corporate governance is breached by having a board composed of representatives of the big four banks and the Commonwealth, as opposed to independent board members who would act in the best interests of the company. It will be very difficult to remove perceptions of board members acting in their own interests—the representatives of the banks acting in their commercial interests and the representative of the Commonwealth, the government's appointed nominee, acting in the government's political interests. This mistrust will be further compounded by the clear lack of ministerial or parliamentary oversight. As outlined, this bill proposes what can only be viewed as bad policy. It will deliver outcomes contrary to the stated intention. It creates a new 'precautionary' principle that could have very broad consequences, and it should be rejected.

**Senator BOYCE** (Queensland) (12.15 pm)—I would also like to speak about the Australian Business Investment Partnership Bill 2009 and the related bills we are discussing today. The Australian people have decided that this is actually known as 'Rudd-bank', not as ABIP, and we need to examine

the very intelligent take that Australians tend to have on government actions and government finances. This bill will provide refinancing of loans for commercial property assets. This will be limited to existing commercial property loans when a commercial provider of loans has withdrawn funding or is threatening the availability of refinancing by making that withdrawal. The Commonwealth will, in fact, end up providing an initial \$2 billion—if this legislation is passed—into the ABIP fund in conjunction with the four major banks. ABIP will be able to issue up to \$26 billion worth of debt. The debt will be guaranteed by the Commonwealth—not by the banks and the Commonwealth, but by the Commonwealth—and could leave Australian taxpayers liable for a minimum of \$30 billion worth of debt. In the context of the debt that has been discussed ad infinitum since 7.30 pm last night and even earlier, I think we need to examine the very strong concerns of Australians about what Rudd-bank actually means in terms of exacerbating the potential for debt in Australia.

We already have a budget that is \$58 billion in debt this year. The government has actually blown \$80 billion in 12 months and completely undermined the strong financial position that it was left by the former Howard-Costello government. We need, as a parliament, to be extremely careful about authorising this government—with its current record—to lend out another \$26 billion, because it is Australian workers who will need to pay this debt on top of the \$58 billion and the \$220 billion to come. The coalition will be working to protect the interests of Australian taxpayers by opposing this legislation. Someone earlier referred to it as 'precautionary' legislation. We have no evidence whatsoever that foreign banks and others are pulling out of the market in any way, shape or form. So why do we need leg-

islation to assist the government to raise yet more debt?

The Treasurer would have you believe that the ABIP fund would be part of the government's concept of building the nation. In fact, it is a part of the Labor Party's non-stop efforts, when in government, to bill the nation. It is not about building the nation; it is about billing the nation for generations to come. Let's look also at the fact that this legislation is meant to apply only to commercially viable properties. These will be the only ones eligible to access the ABIP fund. What does 'commercially viable' mean in the Australian economy? The government has a very strange idea about it. If it is commercially viable then wouldn't funding be commercially available, rather than the company needing to rely on public finance? There needs to be very strong evidence that there has been a complete drought of private finance before the idea that this group will only lend to commercially viable projects makes any sense at all.

We have no evidence whatsoever to suggest that the finance for commercially viable commercial properties is not currently available or that there is any intention on the part of the financiers to withdraw from this market. I wonder sometimes what particular line of communication the big four banks that are involved in this project—the Commonwealth Bank, Westpac, ANZ and the National Australia Bank—have with the Treasurer. We have instance after instance of the government favouring the big four Australian banks at the expense of a sensible, functioning commercial market in Australia. They are sending out a signal right now to foreign banks with this attempted legislation.

They have created huge problems already for other organisations that borrow and lend money which were not initially covered by the \$1 million guarantee. Of course they had

to change that because the unintended and unforeseen consequences got up and bit the government yet again. The big four banks did not explain to the government what the consequences of the initial \$1 million guarantee were going to be. I am not sure why the big four banks are the ones who have been favoured in this area by the government. But, once again, we have a government project that is going to cost a lot of money and is going to skew the functioning of the market, and the government have no idea whatsoever what the outcome of this is going to be. Why do the banks need taxpayer help to provide loans to what the market considers to be commercially viable? Where is the evidence that they cannot do that? If the properties were commercially viable, would not the banks provide funding through their normal business operations?

As I have mentioned, there is no evidence to date that the foreign banks are intending to withdraw in any meaningful way whatsoever from the Australian market. We just have not had that evidence. I note that the big four Australian banks, the 'in-crowd' banks, are still profitable. Westpac, the Commonwealth Bank, ANZ and the National Australia Bank generated a combined \$8.83 billion profit in the first half of the 2008-09 financial year. If the commercial properties that would be the beneficiaries of this fund were commercially available then surely these banks, if they are to be the favoured children of the Labor government, are not struggling to the point of needing public money to lend for properties that will give a viable return on investment.

It is very concerning that we do not have any criteria, other than what one presumes will be developed by the government appointee and the appointees of the four banks, for what constitutes 'commercially viable'. Why can't the current lending criteria, at least, be included in this legislation so that we have some transparency around who de-

cides and what they are deciding? We all know that every loan, irrespective of its assessment as commercially viable or not, has some degree, however slight, of risk, and in a free market—the market that this government is now attempting to skew—the market rewards those who take that risk with an appropriate return on investment. We have no idea what the returns will be and how the risk will be assessed given that the government's involvement will change the attitude towards that risk, skewing the market.

We have a very good example in Queensland currently, with a company called BrisConnections creating the airport link, where people made assumptions about the safety and lack of risk in that product because there was state government involvement in it. We need to get upfront very early and easily what the risk is, how it is to be assessed and who, other than the government appointed and government favoured minders, will decide. I think we have seen quite enough already, particularly in the current debt-ridden situation, of what can happen when the government starts risking taxpayers' money—Australians' money—by lending to companies in order to prop up banks or commercial property lenders.

We saw what could happen when the government got involved in lending practices in the subprime crash in America, but I think we can come much closer to home to look at the sorts of things that go on when governments, particularly governments that have very little experience of how business operates, get involved in private enterprise. We could start, I think, with WA Inc. The Labor government's involvement there continues to be a matter of shame and a paragon of ineptness and corruption. Between 1983 and 1991, the Western Australian Labor government lost millions of dollars by lending to companies that have gone into the Australian lexicon as shonky, such as Rothwells. There

was also Westralia Square—and who can forget the Central Park property redevelopment? The Western Australian government made secret deals with the Bond Corporation to acquire Bell Group from Robert Holmes a Court. But none of this was sustainable and it all ended up in bankruptcy. Rothwells collapsed after being loaned \$408 million by the Western Australian government. Bell Group received \$155 million that they happily took off to the liquidators with them. There was \$74 million that went to Westralia Square and \$100 million that went into Mr Burke's Central Park property redevelopment. Conservative estimates suggest that the Western Australian government lost \$877 million of Western Australian taxpayers' money by making those deals—and we are talking eighties and nineties dollars, not 2009 dollars. The royal commission in Western Australia said:

Some ministers elevated personal or party advantage over their constitutional obligation to act in the public interest.

Their motives 'derived in part' from Premier Burke's established relationships and 'his desire to preserve' Labor's standing with 'the business community from which it had secured much financial support'. So we had a Labor government in Western Australia making unscrutinised, secret deals with business that were not accountable to parliament. The result was a disaster for the state of Western Australia and its citizens.

Let us have a look also at the Cain government in Victoria between 1982 and 1992, which thought it knew a bit more about how to run business and make a state rush ahead with development than the market and the experienced businesspeople of Victoria. The government thought it knew that. It cost \$65 million in debt. It destroyed the banking system of Victoria and led to \$65 million just in government debt that the Victorian taxpayers took years and years to pay off. That is to

ignore the people who were damaged by the collapse of the Pyramid Building Society, which, just as with BrisConnections, the government's support had led people to think was far more secure and far less risky than it was. The State Bank of Victoria eventually had to be taken over by the Commonwealth Bank, and dozens and dozens of Victorian government programs such as WorkCare, the Victorian workers compensation scheme, went unfunded for years whilst people worked out how to climb out of the crisis that John Cain caused for them in Victoria.

We already have quite enough examples of why Labor governments are not exactly the people you want to be handing the mortgage papers to. They have a very, very poor record. We already have a huge level of debt and now we have the potential for this to be added to—potentially added to in an unlimited way. Let's have a look at the financial impact proposal in the explanatory memorandum attached to the bill. It points out that initially the government would be putting in \$2 billion and paying \$2 million towards the administration of the fund and that the government guarantee on any ABIP issues would be a maximum of \$26 billion plus any interest that might be payable in relation to the principal debt. But let's look further at this. It says:

The final financial impact of the arrangements will depend on a range of factors including: the value of loans approved ...

Who is going to decide that? How transparent is that? Does the ACCC get to have a look at that? No. Does any governance body get to have a look at that? No, because the government have removed it from the entire governance system. It says:

The final financial impact ... will depend on a range of factors including: the value of loans approved—

unknown, and—

... the extent of defaults ...

That should send shivers down the spine of every Australian taxpayer—the people who, somewhat sarcastically, coined the term Ruddbank. We have looked at WA Inc. and we have looked at the efforts of the Cain government. I do not even have time to touch on the South Australian Labor governments' efforts of the past, but the extent of defaults on loans is again an unsupervised, unmonitored effect. The explanatory memorandum goes on:

... the amount of dividends paid by the company to shareholders—

let's hope there are dividends to pay to the shareholders. The banks of course are in there. The system that will be used, I am sure, will be a good one, but again we have no idea what it looks like. It could also include:

... the guarantee fee and interest costs on the Commonwealth borrowings—

if a guarantee is required. The final financial impact of these arrangements is completely unknown, as is the governance arrangements that this system would have.

The coalition believe that this bill is ill-conceived and reckless. We believe that Australian taxpayers must be protected from even further rushed spending from this government. There has been no evidence given as to why this bill is needed. There is no current evidence whatsoever that foreign banks en masse are intending to withdraw from the commercial market. There are no governance procedures that would give anyone any satisfaction as to how this will survive, and there is also the fact that it applies to commercial property assets only. The government has specifically taken out any rural development. So it is not about building a nation; it is just another part of the Labor government's attempts at billing the nation.

**Senator IAN MACDONALD** (Queensland) (12.34 pm)—If we needed any evidence after last night that Labor simply cannot be trusted with money, we could have seen a precursor to that by having a look at the Australian Business Investment Partnership Bill 2009. Again, it is one of Labor's ill-conceived, rushed, panicked pieces of legislation which clearly demonstrate something that we on this side of the chamber—and I think a good majority of Australians—have always known, and that is that Mr Swan is simply incapable of managing Australia's economy.

We now know that last night's budget clearly demonstrates that Labor have lost control of public spending. They are burdening every man, woman and child in Australia with huge debt that will take decades to pay off—and we on this side of the chamber know about paying off debt. It took us 10 years to pay off the legacy of Labor's last term in government.

**Senator Cameron**—You did nothing else!

**Senator IAN MACDONALD**—Thank you for the interjection, Senator Cameron. It is typical of Labor governments that they simply cannot manage the economy. Last time Labor were in power there was a debt run up of some \$96 billion—a huge amount—although I might say it pales into insignificance when compared with what the Rudd government have run up in two short, terrible years. You only have to look at Labor's administration the last time they were in government. Not only did they run up a debt of \$96 billion but they had unemployment in double-digit figures. Inflation was well up around 11 per cent. Young people will not believe me—although I daresay in the not too distant future they will well understand—but I still remember paying 17 per cent interest on my housing loan.

**Senator Williams**—And you got out of it cheaply!

**Senator IAN MACDONALD**—I did get out of it cheaply, Senator Williams. I remember businesses getting money from their banks—if they could—at 22 per cent interest. When they could not get it from the banks they got it from money lenders at about 28 per cent interest. You cannot conceive of that nowadays.

*Senator Cameron interjecting—*

**Senator IAN MACDONALD**—With all due respect, Senator Cameron would not understand. I do not think he has ever been in business or ever had to worry about paying the wages bill, paying off the bank loan and trying to meet the commitments that one has when one is in the productive part of the community.

Back in those days we understood about Labor's control of the economy and their inability simply to manage money. Last night we had a repetition, multiplied by about 10, of the ineptness of the Labor governments of the past. It makes me wonder why it is that the Labor government seem to be turning us back into the socialist state that even Mr Whitlam could only have dreamed about. We now find that the Labor government are taking us back to the Telecom days of owning the communications system in Australia. Those of us who are a little older than you, Madam Acting Deputy President, remember what the communications system was like when the government ran it, when it was run by political patronage and dependent on which seats the Labor Party wanted to favour this time. That is how the communications system was run in those days. Since telecommunications have been privatised, the world has opened up to all of us who are interested in rapid and innovative communication. But Labor want to turn back the clock to socialism, a philosophy that not even Rus-

sia considers these days. Even communist China, the last remaining major—

*Senator Cameron interjecting—*

**Senator IAN MACDONALD**—You know all about communist China, Senator Cameron. I guess you are like many of those opposite who were pretty close to the communist Chinese back in the days when they were not as open as they are today. We wonder about the Minister for Defence and his association back in the days, as I say, when we were not quite as open with the Chinese and the Chinese were not as open with everyone else as they are now.

As a reader of history, I am reminded by this arrangement, where the government gets involved in big business and in big unions and starts to control big business, of the fascist regimes in Italy, Spain and Germany back in the twenties and thirties. Have a look at this bill—propping up the four major Australian banks. As Senator Boyce quite rightly pointed out they have been doing pretty well. She mentioned that their profits last year were somewhere near the \$8 billion mark—and good on them. But why is the government coming in and propping up these major Australian financial institutions? Earlier in the term of this government we heard that it guaranteed the deposits of the Australian banks to what I understand was a contingent liability of some \$600 to \$700 billion. On top of that, we have this very strange bill before us today where the government is getting involved in protecting the banks from an eventuality which most think is unlikely. The Reserve Bank governor threw doubt on Mr Rudd's reason for establishing this bank. Why is the government doing it? Do you think it is perhaps that the government will, more and more, nurture major Australian enterprises so that it can manipulate them to its political will, as it does the trade union movement and an increasingly un-

independent public service around Australia? It is not too bad in the Commonwealth at the moment—

**Senator Cameron**—Picking on the public servants!

**Senator IAN MACDONALD**—But you only have to look at some of the state public servants, Senator Cameron, and you would be well aware of this. Without maligning you, I daresay that in your very significant role in running that fabulous Labor government in New South Wales you would have ensured that one or two top public service jobs went to old mates of the union movement or the Labor movement.

**Senator Cameron**—Where is Peter Reith now?

**Senator IAN MACDONALD**—Have a look at Queensland. Goodness me! I am sure the Premier's husband is a very competent and well-qualified person, but putting him in charge of a major state government public service organisation was going a bit beyond the pale, even for the likes of Senator Cameron and others in the Labor movement.

I do not want to be alarmist and I do not want to see conspiracies that are not there, but you do have to wonder why it is that the Labor governments are getting their sticky claws into every aspect of Australian business, government, unions and ways of life. This bill leaves us all wondering why it is there. What is the reason for it? Mr Rudd suggested that where loans had been provided in the commercial property sector there would be an exodus of foreign lenders. So, on the spur of the moment, he had this great idea for the government to become involved to protect against that. But the Reserve Bank refuted the underlying principle with this statement from 6 February 2009:

Over recent months there has been some speculation that many foreign owned banks will withdraw from the Australian market and that this will



create a significant funding shortfall for businesses. While there is a risk that some foreign lenders will scale back their Australian operations, particularly if offshore financial markets deteriorate further, at this stage there is little sign of this, with most of the large foreign-owned banks planning to maintain their lending activities ...

So why bother with this? I know why the foreign banks would be worried: because of the stupid emissions trading scheme that this government wants to introduce, but I will talk about that when I next get the opportunity.

Debate interrupted.

#### **MATTERS OF PUBLIC INTEREST**

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

#### **Mining**

**Senator CAMERON** (New South Wales) (12.45 pm)—I rise to speak on a matter of public interest that has been causing anger, fear and apprehension in my duty electorate of New England. There has been significant community concern that subsidence long-wall coal mining and gas exploration will damage underground aquifers on the Liverpool Plains, New South Wales. That has been a significant environmental and agricultural concern since April 2006. In my view, a resolution to this matter is long overdue.

BHP Billiton and the Shenhua Group have been granted exploration licences by the New South Wales government to investigate the Caroon area in Liverpool Plains for coalmining opportunities. These licences were granted prior to a comprehensive study being undertaken to gauge the impact such activity would have on groundwater and the aquifers that connect to the Murray-Darling Basin. This is where the problem lies, and it is a problem that the people of Caroon are demanding be addressed.

My office has received a considerable number of letters on this matter from the residents of Caroon. These residents are eloquent, articulate and very much aware of the problems and issues arising out of this situation. I congratulate each and every one of them for taking a stand. I oppose any developments by big businesses that ignore the genuine concerns of the community and the environmental implications of the activities, and I applaud the people of Caroon for their critical analysis of the potential consequences of any proposed mining activity.

As I have indicated, I have received numerous pieces of correspondence from concerned citizens on this issue. I would like to place on record some extracts of this correspondence. Margaret Willmott from the property 'Springfield' wrote:

As farmers in the Liverpool Plains, we are caretakers of the land for many generations to come. As our political representative you too, share the responsibility as caretaker and guardian of this valuable highly productive land. We also invite you to visit our region at the earliest possible convenience. We look forward to your reply.

Mrs Julie Prowse of the property 'Gwendalan' wrote:

We are a community which takes pride in the way we look after our land, so it can be passed down to the next generation, who will continue going on to produce food for the families of Australia. Surely this is important to every individual who has children and grandchildren. They will be the ones affected by food and water shortages if steps are not taken to protect the productive agricultural land.

Mrs Martine Traill of Tuwanga wrote:

I am writing to you about the grave concern I have from Australia's food security. Less than 6% of Australia's land is arable. Food security is about protecting this land. You only have to look at the decline in milk production in the Hunter Valley New South Wales to see that mining and agricultural don't go.

Mrs Coleen Gardner of Carawatha wrote:

Living in this beautiful area is a God-given privilege, I would not like to see any of it destroyed through mining and I have nothing left to pass on to future generations of farmers.

Mr Derek Blomfield of Colorado wrote:

I believe our food production capability is under threat from the increase in minerals exploration and mining activity in some of Australia's most productive food bowls. As you may be aware, the Liverpool Plains of New South Wales is one of Australia's real gems in terms of agricultural production with crop yields 40% above the national average.

This area boasts some of Australia's prime agricultural land. It produces 77 million kilos of chicken, 77 thousand tonnes of pork and 29 million kilos of beef annually. It supplies much of Australia's wheat, corn, sunflower seed products, canola, barley, chickpeas, legumes and other specialist crops, as well as wool and cotton. I am sure I do not need to go into the science of why the intermingling of water and coal is not ideal on such arable land. Polluted water in shallow aquifers can contain up to 30 or 40 times the salt and mineral levels of seawater. The sulphur and heavy metal content of coal means that contaminated water is no longer suitable for the purpose of agriculture once it has reached the aquifers deep below the ground. It is unacceptable to put such a vital contributor to Australia's food supply at risk. During this time of economic instability and in the midst of a climate crisis, we cannot put our food supply in jeopardy, nor can we ignore the important role of agriculture in Australia's cultural fabric. There must be a proper balance between mineral exploration and agricultural endeavours. The protection of our nation's water supply also needs to be a priority. The lure of the money involved in mining enterprises simply does not justify the destruction of some of Australia's most arable land.

There is no detailed understanding of the complex interconnected network of aquifer systems which make this one of Australia's most productive and precious agricultural areas. To proceed to mine this area before gaining an understanding of the water aquifers would be a massive mistake. An independent, catchment-wide study of the water structure of the region needs to happen, and it needs to happen soon. It is not unreasonable for the landowners of Carooona to want to know how their properties will be impacted by mining activity. This is potentially a 500 million tonne mining operation. It is going to be a huge mining operation, and there need to be checks and balances put in place to assess the ramifications of such a large venture.

I understand that the coal reserves in the Gunnedah coalfields are estimated to be 300 billion tonnes and that they range over an area of 8,000 square kilometres extending from Willow Tree to Narrabri. However, this resource must be looked at in a critical and balanced way. I lived in Muswellbrook for 12 years, and this is where my involvement with the coal industry began. It was during this time that I came to realise that the mining industry cannot be labelled as simply black or white, right or wrong. The mining industry is an important source of employment, and coal is a valuable resource that will continue to underpin economic activity in Australia and overseas for some years to come. Nevertheless, the serious challenge of climate change means that we really need to think about our priorities in terms of how we treat our environment, and how we exploit and use our resources. While we are a long way from the end of the coal industry in Australia, we need to utilise it in a way that minimises the impact on other important resources.

This is all about balance. Balancing environmental imperatives with economic goals

is the key political, social and environmental challenge for government. We cannot forget that this is a situation where we are dealing with the livelihoods of many dedicated farmers and their families. Farming has been a way of life in the Liverpool Plains area for generations. This is not simply an environmental issue; it is a social issue, and for many of the residents of Caroonna it is personal. There is a strong sense of community in Caroonna. A number of properties have been passed down through families for several lifetimes. The relevance of this cannot be ignored. To carry out mining activity without the input and support of this strong, committed community would be an injustice. We must protect our food resources and our farming communities. We need to examine very carefully any mining activity that has the potential to undermine important agricultural activities. We need to focus on more than just economic value. The farmers are taking time out of their labour-intensive schedules to form a blockade against BHP coming onto their private properties before an independent water study is commissioned. This says a lot about the seriousness of this situation. There has not been sufficient constructive dialogue between the parties, and this is unacceptable when there is so much at stake.

I would like to make special mention of the Caroonna Coal Action Group. On a recent trip to New England, I met with chairman Doug Ranken, spokesperson Tim Duddy and group member Fiona Simson. This group has been doing excellent work in promoting an understanding of the environmental and social dilemmas involved in this issue. They are extremely passionate about educating the public on the impact of mining on groundwater systems and agriculture. I would like to thank them for taking the time to explain their point of view to me on this issue, and I would also like to thank Tim Duddy for his

hospitality and for showing me the technological advances used in his farming activities. It was also good to see collectivism playing a major role in the New South Wales farming community. I have never seen a picket line with King's School uniforms yet, but it could be there! I would also like to thank the member for New England, Mr Tony Windsor, for his help and assistance in organising the meeting. I also thank him for assisting me in appreciating the issues involved. I do not thank him for taking me through those back roads, following his four-wheel drive in a cloud of dust for about 45 minutes. I am still trying to clean the dust out of the car.

This situation that the Caroonna residents face is a complex one. The mining industry is still very much alive in Australia, and is still a vital element of industry here. However, the true impact of mining on aquifers cannot be determined until the contribution of groundwater systems to surface water systems is fully understood, and the only way such information can be found out is by conducting an independent study before any mining commences. In response to the concerns of the local residents and the advocacy on their behalf by the member for New England, Mr Tony Windsor, the government has announced a contribution of up to \$1.5 million for a joint study to provide scientific information on the surface and groundwater resources specifically in the Namoi catchment, including the Peel and Mooki rivers, the Maules and Plan creeks and the Gins Leap constriction. This study is intended to advance the understanding of the quantity and quality of those water resources, benefiting community awareness and informing decisions made by governments and stakeholders.

BHP and the Shenhua Group need to make a decision to financially support the joint study into surface and groundwater re-

sources. The sooner this study commences the better. It must be comprehensive and it needs to be sufficiently funded. It needs to identify the proximity between coal and water resources, and needs to confirm that there will be no lasting damage to aquifers. I note that the mining activities in the Hunter and the Illawarra regions have had a significant impact on aquifers, dependent environments and water security. It is therefore important that each mining approval be examined and that the cumulative and off-site impacts are rigorously addressed. I strongly believe there will be a continuing role for coalmining, both domestically and internationally, in the medium to long term. Given the government's initiatives to promote research on carbon capture and storage, the CO<sub>2</sub> emissions and carbon footprint of the coal industry may decline. I therefore believe that the process to mine coal must be environmentally rigorous. I would be pleased to assist the Caroon residents and the mining companies to reach a satisfactory conclusion to this problem as soon as is practicable.

#### **Federal Magistrates Court**

**Senator BRANDIS** (Queensland) (12.59 pm)—Last August, the government received a report entitled *Future governance options for federal family law courts in Australia*, prepared by Mr Des Semple. The terms of reference of the Semple review included consideration of 'governance options to achieve a more integrated family law system', 'structures and management processes necessary to improve the efficiency, effectiveness and integration of service delivery across the family law jurisdiction', and 'potential changes in judicial structures'. The principal recommendation of the Semple Review was the abolition of the Federal Magistrates Court; the absorption of most of the federal magistrates into the Family Court, where they would constitute a second, lower tier of that court; and the assignment of the

remaining federal magistrates to the Federal Court.

Last Tuesday, the Attorney-General announced that the government had decided to accept the recommendations of the Semple report, and last night's federal budget reflected the proposed abolition of the Federal Magistrates Court and its integration into the structures of the Family Court and the Federal Court. The opposition believes that this decision is a grave mistake. In our view, if the Rudd government proceeds with its plan to abolish the Federal Magistrates Court and drive all family law cases into the more expensive Family Court, the result will be increased costs, longer delays and less accessible justice.

The Federal Magistrates Court was established by the Howard government in 1999. Its purpose was to take the pressure off the other two Commonwealth trial courts—the Federal Court and the Family Court—by creating a lower-level court to deal with smaller cases, while freeing the hands of those courts to concentrate on larger and more complex cases. That has been the experience of the FMC, which is today the busiest of the federal courts, with 61 judicial officers. In the years since its creation, the FMC has won an enviable reputation for its no-nonsense, pragmatic, efficient approach to dispute resolution, which, in the manner typical of lower courts, has avoided undue technicality while delivering accessible justice to the parties who have come before it.

Inevitably, because the family law jurisdiction is the busiest Commonwealth jurisdiction—in other words, there are more family law cases commenced in federal courts than any other type of case—most of the work of the FMC has been family law work. According to the Semple report, 79 per cent of family law cases are now dealt with by the FMC rather than by the Family Court. The

main reason for that is that the FMC has earned a good reputation for more efficient, less costly, swifter dispute resolution.

As all honourable senators are acutely aware, many of the most difficult and vexed constituent inquiries we receive are from people who are involved in marriage breakdowns and are seeking remedies from the family law system. The issues arising from family breakdown—in particular, those concerning access to and custody of children—are always distressing. They demand prompt, accessible, sympathetic resolution. It has been my experience from talking to people in those circumstances—and I know from my colleagues both in this chamber and in the other place that is has been their experience as well—that they would much sooner have their matters dealt with by the Federal Magistrates Court than be ensnared in the more complex and lengthy processes of the Family Court.

In 2003, the House of Representatives Standing Committee on Family and Community Affairs, chaired at that time by my friend Mrs Kay Hull MP, the member for Riverina, held an inquiry into child custody arrangements, the report of which, entitled *Every picture tells a story*, was delivered in December 2003. The deputy chair of the committee was the member for Fowler, Mrs Julia Irwin. The report was unanimous.

That report in fact recommended the creation of a new tribunal, which would be less legalistic than the existing system. Of the two courts exercising family law jurisdiction at the time, the committee certainly had a more favourable view of the Federal Magistrates Court than of the Family Court. In the end, the government did not adopt the recommendation to establish a new tribunal, but the report of the committee was seminal to the former government's thinking when it introduced the Family Law Amendment

(Shared Parental Responsibility) Bill 2005. In speaking on the second reading of that bill on 28 February 2006, Mrs Hull told the House of Representatives:

I want to take the time to pay tribute to the Federal Magistrates Court and put in a plug for the court. In my observation—and I have done a huge amount of observation of these cases in the Parramatta family law court, the Sydney family law court, the Cairns family law court and the Federal Magistrates Court—the Federal Magistrates Court is doing a mighty job already of taking on the interests that the old committee—

that is, the House of Representatives Standing Committee on Family and Community Affairs—

raised in *Every picture tells a story* and is already putting these into place and delivering very good outcomes. But what it needs is more funding. I would like to see all of these cases going through the Federal Magistrates Court where possible, because I think it is the perfect body to be able to really deliver what the committee intended in the first place ... If you are not going to have a tribunal, the very next best thing is the Federal Magistrates Court.

And so it has proved. The Federal Magistrates Court is indisputably the first choice of those involved in family law disputes—hence, the throughput of family law cases today exceeds that of the Family Court by a factor of four to one.

One would have thought that, if the Federal Magistrates Court is the preferred venue for those most immediately affected by family law disputes, the very last thing a review of the structure of the courts exercising family law jurisdiction would want to do is to abolish it. But that is what the government is now proposing to do. Indeed, in a sense, the Federal Magistrates Court has been a victim of its own success. Because most family law litigants would prefer their matters to be dealt with by the FMC rather than by the Family Court, the government now says that the integration of the FMC into the Family

Court is necessary in order, in the words of the Attorney-General's press release last week, to avoid 'confusion amongst litigants' and to create a 'one-stop shop' in family law matters. The confusion that is said to exist arises from the fact that there is now substantial jurisdictional overlap, in relation to family law matters, between the FMC and the Family Court, so the courts are, in a sense, in competition with one another in the provision of the same service. Even if that be the case, then surely the clear—indeed, overwhelming—preference of the litigants to have their matters disposed of in the FMC tells us something. It is certainly not an argument for the abolition of that very court. Such inefficiencies as arise from jurisdictional overlap can, in the opposition's view, be better dealt with by delimiting the respective jurisdictions of the two courts more clearly—reserving for the Family Court appellate and more complex trial matters—than by the simplistic expedient of abolishing the court which is the workhorse of the family law jurisdiction.

In fact, the Semple report does essentially recommend that—reserving for the existing Family Court judges appeals and jurisdiction over more complex trials—but with this crucial difference: most of the federal magistrates would be absorbed into the Family Court itself. With all due respect to the latter court—and in particular to Diana Bryant, the Chief Justice, with whom I have had discussions about the court—it is inescapable that that court does not enjoy the reputation which the Federal Magistrates Court does for prompt, less costly resolution of disputes. The opposition is gravely concerned that, if most of the federal magistrates are absorbed into the Family Court as a lower tier of that court, governed by the Family Court Rules, subject to the Family Court's administrative structures and ineluctably affected by its culture, the efficiencies which have become the

hallmark of the Federal Magistrates Court will gradually but inevitably be lost. That is the real fear of many of the stakeholders with whom I have spoken.

Although, in addressing the Semple report, I have emphasized the opposition's concerns about the potentially serious damage it will do to the efficient resolution of family law disputes, I should add that we have other serious concerns about the government's decision to adopt the Semple report as well. It is widely known within legal circles that the federal judiciary is deeply divided about the Semple report. The Family Court is strongly in favour of it—and one cannot help but detect more than a whiff of judicial empire building in the Family Court's eagerness to take over most of the Federal Magistrates Court. The federal magistrates are deeply divided over the issue. The other court directly affected by the proposal, the Federal Court, does not want a bar of it.

One of the many errors in the Semple report has been to approach a question which directly affects three courts—the Family Court, the FMC and the Federal Court—but only take into account the needs and interests of two of them. As the terms of reference—indeed, the very title—of the Semple report indicate, its entire focus is upon family law. But family law is not all that the Federal Magistrates Court does. It deals with a large number of other federal law matters: bankruptcy, immigration, administrative law, copyright, consumer protection, trade practices and industrial law among them. Semple barely considers the consequences upon those other areas of the abolition of the FMC. Constrained by his terms of reference—and I should say, in fairness to Mr Semple, that he was not the author of those terms of reference—he approaches the matter exclusively from a family law point of view. His answer to the question, 'What is to

happen to those federal magistrates who deal with matters other than family law?' is to suggest that they be integrated into the Federal Court as a division of that court. Yet, as emerged during the February estimates when I asked officers of the Attorney-General's Department about the conduct of the Semple review, the Federal Court was scarcely consulted in the process. Rather, it was not until 11 February 2009—that is, six months after the Semple review had been delivered to the government—that the Chief Justice of the Federal Court, Chief Justice Black, wrote to the Attorney-General stating that, so far as the Semple report's recommendations affecting the Federal Court were concerned:

... I do not support the recommendation and it is opposed by the judges of the Federal Court.

What kind of decision-making process is it which proposes a serious alteration to the constitution of a court, the Federal Court, without proper consultation, almost as an afterthought, and reduces that court to expressing its views after the report has already been written? From a process point of view alone, the Semple inquiry has been deeply unsatisfactory.

Finally, it is said by the Attorney-General that the abolition of the Federal Magistrates Court will save money by reducing three courts to two. But the number of cases will not change, and the savings are in any event derisory. By the government's own estimates, the saving will be just \$7.8 million over four years. To put that figure into context, the total funding for the Attorney-General's portfolio, according to the portfolio budget statement tabled with the budget last night, was \$5,080,165,000 for 2009-10. The savings brought about, on the government's own estimates, by the implementation of the Semple review would be 0.038 per cent of the budget of the Attorney-General's Department and its agencies for the coming year.

At what price is this scant saving to be achieved? How great will the additional costs to family law litigants be, as they wait longer to have their matters dealt with in a more complex, less efficient, more expensive court? And, beyond the extra legal costs, how can we calculate the emotional costs for people at the most vulnerable time of their lives?

The opposition is of the view that the government has made a grave mistake in adopting the recommendations of the Semple report. Like so much else the Rudd government does, it is likely to damage the very people it claims to be helping. The Federal Magistrates Court has been one of the most successful reforms to the Australian judiciary in our lifetimes, and the litigants have voted with their feet in choosing it as their court of preference in resolving, in particular, family law disputes. The government should leave it alone.

#### **Upper Florentine Valley**

**Senator MILNE** (Tasmania) (1.14 pm)—I rise today to draw the attention of the Australian Senate and the Australian people to criminal activity occurring in southern Tasmania. It is occurring as we speak. That criminal activity is being perpetrated by the Australian government, the Tasmanian government and Forestry Tasmania. I say it is criminal activity because it is criminal in several ways. We are suffering global warming. We are looking at a global emergency, not only because of global warming but also because of biodiversity loss. Australia is a signatory to the United Nations Framework Convention on Climate Change and a signatory to the World Heritage convention. The one thing Australia could do immediately to keep faith with both of those conventions would be to protect the carbon stores and the biodiversity in Australia's native forests and stop the logging. But, instead of that, it is

being encouraged. This is criminal activity, sanctioned by the Prime Minister, by the Premier of Tasmania, David Bartlett, and by Forestry Tasmania, and it must stop.

I read into the *Hansard* Australia's responsibility under article 4 of the World Heritage convention:

Each State Party to this Convention recognizes that the duty of ensuring the identification, protection, conservation, presentation and transmission to future generations of the cultural and natural heritage referred to in Articles 1 and 2 and situated on its territory, belongs primarily to that State. It will do all it can to this end, to the utmost of its own resources ...

Far from doing the utmost, the Australian government is subsidising the logging of these World Heritage value forests. I am talking about the forests in the Upper Florentine in Tasmania which are being flattened as we speak. They have World Heritage values, identified by an expert in the field, Peter Hitchcock, who, in assessing those forests in the Upper Florentine, said in his report last year:

The 1988 nomination—

of the Tasmanian Wilderness World Heritage Area—

specifically cited tall eucalypt forests as an integral part of the case for World Heritage listing, but overall the global significance was probably seriously understated.

He went on to talk about the values of the forests:

They are:

- the superlative expression of the uniquely Australian genus *Eucalyptus*;
- the 'front line forwards' of the eucalypt world that have shadowed, harried, and occasionally overrun the ancient Gondwanan rainforests receding in the face of progressive warming and drying of the continent ...

...      ...      ...

- the superlative example of a fire-dependent tall forest in a climatic zone capable of supporting rainforest.

The case for greater recognition of the global heritage significance of the tall eucalypt forests of Australia and Tasmania is stronger now than it was in 1988. Consequently, there is now also a stronger case for their effective conservation.

But instead of that they are being smashed. At the same time that this criminal behaviour is going on, we know that deforestation is one of the major drivers of global warming and we know we are seeing species going to extinction. We are seeing governments perpetrating this destruction of native forests—and the people who are defending the World Heritage forests, the people who are defending biodiversity, the people who have the courage to do what is right for future generations, are the people being arrested. In the last week, 33 people have been arrested in the southern forests of Tasmania while standing up for the World Heritage value, the carbon stores, the biodiversity and the fantastic wildlife of those forests.

I want to pay tribute to the young people in *Still Wild Still Threatened*, who since 2006 have been in those forests trying to stop the roading and the destruction of those forests. They have been set upon and assaulted on numerous occasions and yet they have shown incredible courage. I think that, as history looks back on this period of destruction, history will reflect the criminal negligence of the people in power who had the capacity to stop the logging and will recognise as heroes and heroines those young people who are in there. I want to pay tribute to their courage as I stand here today.

I also want to take to task the Premier of Tasmania, David Bartlett, who came to power saying that he wanted to have a caring, kind and connected Tasmania. Well, he is not caring. He is not caring about biodiversity. In fact, today's news shows that he is



going to disband the whole Department of Environment, Parks, Heritage and the Arts—abolish the whole thing altogether.

**Senator Bob Brown**—Shame on him.

**Senator MILNE**—Shame on him. He is not caring and he is not clever. In fact, it is totally dumb to destroy a carbon store. It is totally dumb to destroy biodiversity when you need that resilience in ecosystems in the face of climate change and for future generations. As for ‘connected’, it is about as disconnected as you can get—disconnected from our own humanity and our connection with other species. We are part of a web of life here. We are connected to those forests and to the creatures in those forests, but we are also connected to a global community through the World Heritage convention and the United Nations Framework Convention on Climate Change. That connected global community expects better of a developed country like Australia than to see us trashing forests of World Heritage value.

We have got Australia in the most hypocritical position imaginable: going to the rest of the world, under the program of reduced emissions from deforestation and degradation, telling the rest of the world they should stop their logging in tropical forests in Indonesia and providing \$200 million to that end, whilst at the same time subsidising the logging of Tasmania’s forests—and forests around the rest of the country, but in particular I am referring here to the forests of the Upper Florentine.

If anyone thinks that this kind of vandalism does not go on, they just have to remember back to 2002, when Australia’s most massive known tree was discovered in the Florentine, in an area being logged. The 21-metre girth tree was set aside and named El Grande. The following year, Forestry Tasmania burnt the adjacent logged area. The fire spread, the hollow trunk of El Grande

acted like a furnace and the ancient giant was cooked from the inside. After an initial period of denial, Forestry Tasmania eventually had to concede that the tree had been killed.

What we hear from Forestry Tasmania is that this goes to some kind of value adding. That in itself is completely untrue; in fact, it is a lie. Forestry Tasmania has now publicly conceded that 80 per cent to 90 per cent of the timber in the coupe from the Upper Florentine that is currently being logged will be woodchipped—woodchipped from World Heritage value forests. That is something that Australians will have difficulty getting their heads around. I can tell you now that if a bulldozer turned up on the shores of Sydney Harbour and started pushing in the Sydney Opera House, people would be completely outraged. If that had happened before it was World Heritage listed, they would have been outraged. They would be more outraged now that it has been recognised as being of universal value to humankind and the future. Yet here we have exactly the same sort of thing going on as we speak. In terms of the carbon richness of these forests, I can tell you that they are one of the most carbon-rich terrestrial ecosystems on earth, sequestering up to 5,500 tonnes of carbon per hectare. So we are talking about massive carbon stores here—and they are being logged.

I will go on to talk about the unkindness and the uncaring nature of the Tasmanian government. There is no independent police force in Tasmania; it is directed and used at the behest of the government. The Tasmanian police force are arresting these young people and they are also arresting older people. At the weekend there were a number of older people arrested, and they said at the time that all they wanted to do was to stop the logging, to protect the forest and its ecosystems as a resource for their grandchildren and the wider community. A quote from one of them was:

It is just so precious and irreplaceable, and it's the community's forest.

Ridiculous bail conditions are being imposed on these people. One intelligent young woman who put herself on the line to protect the forests has been put under virtual house arrest. She lives in Hobart and cannot leave her home between 7 am and 3pm. She is being denied the ability to go about her daily activities and attend university and whatever else because she is under virtual house arrest. And what is her crime? Her crime is protecting the forests that this government ought to be protecting. Even former Prime Minister John Howard acknowledged in 2004 that the Florentine should be protected. His policy at the time was immediate protection for 18,700 hectares of old-growth forest in the Styx and the Florentine valleys on the border of the World Heritage area. But by May 2005 that promise was worthless. The Tasmanian Community Forest Agreement revealed that only 6,460 hectares would be protected, of which only 4,730 would be old-growth forests.

Is it any wonder young people have no faith whatsoever in the promises of governments? Then Prime Minister John Howard promised 18,700 hectares in the Styx and the Florentine, and he did not deliver. Even Paul Lennon did not log the Upper Florentine. Even John Howard recognised its value—even though he did nothing to protect it. And now we have the Prime Minister, Kevin Rudd, the Minister for the Environment, Heritage and the Arts, Peter Garrett, and the Minister for Climate Change and Water, Penny Wong, ignoring it—ignoring the destruction of the carbon stores; ignoring the destruction of biodiversity—and sanctioning and paying the loggers to destroy it for woodchips. Is that the best this country can do under the premiership of a supposed caring, connected and kind premier? He is a not caring and not kind, disconnected premier.

I indicate that Senator Bob Brown is going to take a few minutes of my 15 minutes to conclude this discussion on the Upper Florentine. I am calling on the Prime Minister to honour Australia's obligation under the World Heritage convention to do everything in its power to protect areas of World Heritage within its state—that is, the state of Australia. I am calling on David Bartlett to stop directing the Tasmanian police force to act as, effectively, his own private militia down there in those forests. And I am calling on people around this country to write to the Prime Minister immediately and call for the cessation of logging in the Upper Florentine. I would also urge people around the country to recognise the courage, strength and determination of the people who, since 2006, have stayed in the forests to defend them for future generations. Again, I put on the record my admiration for those young people in Still Wild Still Threatened and the community that has gone down there to support them and the forests.

#### **Environmental Conservation**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (1.27 pm)—I congratulate Senator Milne for that defence of this nation's and the world's heritage forests which are being ripped apart, with the wildlife in them, by this Prime Minister, this Minister for the Environment and Heritage, this Minister for Climate Change and Water, and the cabinet here on Capital Hill in conjunction with their Labor colleagues in the parliament in Salamanca Place in Hobart. Shame on the whole lot of them that sterling citizens like those arrested on the weekend and arrested previously have to take a stand for this planet and its future and for the wildlife and biodiversity that come with these ancient forests—which have never seen a chainsaw or an axe before but which are being ripped apart under the fiat of Prime Minister Rudd. It is the regional forest

agreement, and the blinkers he puts on when he endorses that, which has allowed this travesty in our nation—which Senator Milne so well outlined in such an incredibly short time.

This is a hallmark of a government that does not understand where the planet is. It does not understand its obligations to this nation's heritage. It does not understand its obligations to rare and endangered species, being driven closer to extinction by the madness of export woodchipping and the fire-bombing with napalm occurring at the moment, in autumn, in Tasmania—putting all that carbon in the atmosphere to further disrupt the ability of human beings to live on this planet, let alone to have the variety of nature with us and to bequeath on to our grandchildren. It is abhorrent behaviour, culpable behaviour, by the politicians who endorse it—politicians on both sides of this chamber, on both sides of politics, and in the big parties in mainland Australia and in Tasmania.

#### Aged Care

**Senator POLLEY** (Tasmania) (1.29 pm)—I rise to speak on a matter of public importance and draw attention to the report on aged care that was recently tabled in this place. On 29 April 2009 the Senate Standing Committee on Finance and Public Administration handed down its report into residential and community aged care in Australia. The report was the culmination of a comprehensive Senate inquiry that worked to draw evidence from across the aged-care sector over a six-month period.

Aged care is undoubtedly a hotly debated issue in the community at this time, and is becoming more so. Approximately nine per cent of the Australian population, or two million people, are aged 70 or over. As we are all no doubt aware, the proportion of older Australians will rise exponentially over the

next few decades. Inevitably the rise in the number of older Australians will lead to an increased demand for community care and residential care. At present, four in 10 older Australians are currently utilising some form of aged-care service, with this mostly being care provided in their own home. The high degree of government subsidisation of the aged-care sector will ultimately lead to higher government involvement in aged care as the number of people utilising these services, and therefore the subsidies, increases. The needs of aged-care consumers are also becoming more complex. Increased life expectancy, chronic illness, growing expectations of standards of care and amenities, and social diversity all intermingle to create new demands and challenges to which the sector must be able to respond appropriately.

The terms of reference for the inquiry into residential and community aged care in Australia centred around six key areas associated with funding, planning, allocation, capital and equity. They included: (1) whether current funding levels are sufficient to meet the expected quality service provision outcomes; (2) how appropriate the current indexation formula is in recognising the actual cost of pricing aged-care services to meet the expected level and quality of such services; (3) measures that can be taken to address regional variations in the cost of service delivery and the construction of aged-care facilities; (4) whether there is an inequity in user payments between different groups of aged-care consumers and, if so, how the inequity can be addressed; (5) whether the current planning ratio between community care, high-care and low-care places is appropriate; and (6) the impact of current and future residential places allocation and funding on the number and provision of community care places.

During the course of the inquiry, 125 submissions were received from members of

the public and from stakeholders, including aged-care providers, nursing staff, community care services, health professional bodies, carers, unions and government departments both state and federal. The one consistent element in the submissions was the sheer effort, thought, care and determination that went into the preparation of each and every one of them. This is clearly an issue that is deeply important to representatives across the sector and to everyday Australians, and they each embraced the opportunity to participate in the inquiry process and contribute their own indelible knowledge and understanding. Hearings were held over six days in Perth, Melbourne, Canberra, Brisbane and Launceston and heard further information from 119 witnesses from across all stakeholder groups. The inquiry process was followed closely by the media and generated considerable debate amongst the community about the state of Australia's aged-care sector.

There were a number of recurring issues in the submissions received by the committee. These included: changing community expectations, such as the provision of single ensuite bathrooms in nursing homes; the current indexation formula used for funding by the Commonwealth government; differences in funding levels for low-care and high-care residents and people receiving in-home care; increased capital costs for building or redeveloping aged-care facilities, and the likely return on the investment; the fact that many people are staying in their homes longer and, when they do eventually move into residential aged care complexes, have more complex, high-care needs; industry-wide shortages of appropriately trained nursing staff, especially in aged care; pay parity between nursing staff in the aged-care sector and other health sectors; the costs for aged-care providers in meeting regulations and compliance measures; overlaps and gaps between

federal government, state government and community services for the aged; the provision of aged care in rural and remote areas, including higher transport costs and shortages of healthcare professionals such as doctors and physiotherapists; and the different needs and requirements of people from different backgrounds such as Indigenous Australians, the financially disadvantaged, ex-service men and women, and those with cognitive impairments such as dementia.

There is a group of Australians whom the Rudd Labor government has put on the political agenda—homeless Australians. They are a group that must be considered in the long-term planning of aged care. We also have to take into consideration the nature and make-up of the multicultural Australia that we have today. Older Australians from non-English-speaking backgrounds also have to be taken into consideration when planning for the future needs and services provided in the aged-care sector.

The issue of salary and training for aged-care nursing staff was particularly stark during the course of the inquiry. Staffing levels have reached critically low levels, compounded by the fact that remuneration sits at consistently less than that of nurses in other sections of health care. As Mr David Kelly of the Liquor, Hospitality and Miscellaneous Union pointed out during the hearing in Perth, a Perth zookeeper is paid significantly more than a fully qualified aged-care nurse despite the demand for nursing staff and the skill level they are required to have.

Equally stark is the situation faced by many older Australians who have to navigate through a convoluted and often confusing process in order to access community aged-care services. Aged care assessment teams appeared to have wildly different levels of efficiency around the country, with some teams overwhelmed by demand and others

better able to meet demand. The work of ACATs was also hindered by the ever-changing nature of community care, including the number of programs, eligibility criteria and service providers. It was obvious that a large information gap remains in community care that needs to be bridged.

The result of the enormous effort from all who contributed to the inquiry is a comprehensive report that will substantively address many of the issues raised during the inquiry process. In all, 31 recommendations were handed down that will help shape government policy on residential and community aged care into the future. The major recommendations include: that an all-encompassing review of the Aged Care Act 1997 take place with consideration of current and future challenges, including but not limited to the indexation formula, staffing requirements and the planning ratio for community, high-care and low-care places; the establishment of a National Aged Care Forum coordinated by the Department of Health and Ageing to consider on an ongoing basis current and future challenges faced by the aged-care sector; that the National Aged Care Forum establish a taskforce in partnership with stakeholders, including industry and consumers, to implement the determinations of the national forum; that the department and the taskforce look at how to make compliance more cost effective, especially for smaller providers; and that the government expand community aged-care funding and services to meet the growing demand and expected quality service provision outcomes. The report also requested that the government continue the conditional adjustment payments at their current level during the course of the review, a request that was adopted by the government in last night's budget announcement. This brings spending on aged care to \$44 billion over the next four

years. I congratulate the minister, the Treasurer and the Rudd Labor government.

These recommendations offer a step towards addressing the many and varied issues and concerns raised during the course of the inquiry into residential and aged care in Australia. After many long years of neglect and piecemeal approaches to aged-care funding and planning by the previous Howard government, the Rudd Labor government are taking reform and improvement very seriously. No other government in this nation's history has spent more on aged care and we will only seek to improve the sector further.

At a later date, I will speak about the unique impact of aged care and the challenges that we face in my home state of Tasmania. I would like to sincerely thank all those who contributed to the inquiry. Their efforts made the process an honest and holistic one. I would also like to thank the secretariat for all their hard work, given the time limits they have faced in finalising the report. I look forward to the government being able to implement further recommendations from our report. I urge all senators and members of the community to read this report. I believe it is a major step forward. It is also a welcome step by the industry in having their voices heard—recognition at long last of the failure of the previous Howard government to address concerns which they have been lobbying about since 1997 and to adopt many of the measures contained in the Hogan report.

**The ACTING DEPUTY PRESIDENT (Senator Crossin)**—Before I call the next speaker, I need to remind senators, as a result of that contribution, that the provision under standing order 194 relates to the anticipation of discussion of any subject which appears on the *Notice Paper*. I put that on the record to clarify that contribution.

### Child Abuse

**Senator KROGER** (Victoria) (1.41 pm)—Today I would like to take the opportunity to talk about one of society's few remaining taboos: child abuse and how adult survivors still suffer from their traumatic childhood experiences and how little support they receive on their difficult road to recovery.

You might have seen an unusual TV commercial recently which caught your attention. In this commercial, you see a very proud father of a very pretty bride who is giving his wedding speech in honour of the newlywed couple. As you would expect, the mood is relaxed and all of the guests are having a good time. You can hear their constant laughter in the background whilst the father of the bride is cracking one joke after the other—but the biggest so-called joke of all is yet to come. The young, beautiful bride is smiling radiantly at her father and he says, 'Forgive an old bloke for getting a little sentimental, but as I look at Melissa today I remember the first words I ever said to her after sex, "Don't tell mum".' Whilst the bride, the mother and all the guests burst out in embarrassed giggles, a voice comes on saying, 'If only it was this easy to get over child abuse. For more than two million Australians it isn't.'

This commercial is intended to be shocking and it is. It is intended that viewers feel uncomfortable and they do. This commercial hits the very nerve of an uncomfortable problem which is still widely ignored in Australia today: the long-term effects of child abuse. Little attention is paid to the fact that the impact of abuse does not stop when the abuse stops, nor does the impact stop overnight when the victim turns 18. The issue of child abuse hits some very raw social nerves. Children who are abused live in fear of disclosing, while adults are expected to shut up

and get over it. But child abuse is not something you simply get over. This is the central message of this TV commercial, which was launched as one part of a confrontational advertisement campaign by the not-for-profit organisation ASCA, Adults Surviving Child Abuse.

I have met and supported ASCA during their campaign launch here in Parliament House and have been very impressed with their work. Their credo, not only in this advertising campaign but also in their everyday work, is that they cannot give victims back their childhood but it can give them a future—a future free from the nightmares which have haunted survivors for years and, in some cases, decades. ASCA's national advertising campaign is the first crucial step in a community awareness program designed to create the change needed for survivors to be able to come forward and receive the help that they need. ASCA is a national Australian non-government organisation founded in 1995. Since then, the organisation and its many volunteers have been fighting for the needs of adult survivors of all forms of child abuse and neglect, whatever shape that may take. Conservative estimates suggest that there are more than two million adults surviving child abuse in Australia. Other sources believe the real number is much higher, as reported abuse cases usually are only the tip of the iceberg.

Although it is a huge problem, with great impact on many lives, there is little community or government support for adult survivors. ASCA is pushing to overcome this lack of support. In the past decade it has been raising awareness about the legacy of childhood trauma. Through its Australia-wide network of survivors, supporters and professionals, ASCA has been helping to break down the sense of isolation and alienation that many survivors feel. The charity would not exist today without the commitment and

dedication of countless volunteers. And I think it is poignant that we recognise the contribution of those volunteers this week. On behalf of PACAN, Parliamentarians Against Child Abuse and Neglect, I would like to thank them for their highly appreciated and valued work.

Despite the lack of federal government funding in the past, ASCA has been providing advice, counselling and support to adult survivors. The charity continues to promote community based programs such as psycho-educational workshops and therapeutic groups for survivors. It is also managing the 1300 telephone information line, which currently operates from 9 am until 10 pm, seven days a week. As the charity is highly reliant on volunteers, it currently seeks further help to fully resource this 1300 line. Another important aspect of its work is educating, informing and training healthcare professionals, who often have little knowledge and little understanding about the special needs of their patients. In Australia, sadly, the numbers of child abuse are on the rise—33,000 children are known to have been abused and neglected only last year. Research suggests that one in four girls and one in seven boys are sexually abused by the time they are 18, and 30,000 Australian children live in out-of-home care for their own protection. This figure is also on the rise. In South Australia, for instance, one in four children is now the subject of a child protection notification by the age of 16. One in four! It is just extraordinary.

Clearly we need new concepts and ideas on how to stop this phenomenon. The prevention of child abuse must be given a top priority in all of our efforts. But, at the same time, we must not forget about the people who have already gone through this living hell. We must not forget about people who have been traumatised so deeply it takes them years to speak out loud about the injus-

tice they had to endure during their childhood and adolescence—if they ever find the strength to confront the demons at all. Statistics, research and individual cases suggest that adult survivors do not simply get over their abuse. In fact, it is clear that the opposite is the case. How difficult it is for adult survivors to cope with their personal history is actually reflected in the healthcare statistics. Adult survivors are 2½ times more likely to suffer from mental health problems. They are four times more likely to be unhappy in later life. Adult survivors have an increased risk of having three or four medical diseases. They are more likely to be smokers and binge drinkers, more likely to abuse other drugs and more likely to be physically inactive. They are more likely to have attempted to commit suicide and, in general, to live with increased risk of an early death.

A recent study of Australian men conducted by the University of Bath has found that sexual abuse in childhood increases the risk of suicide in men by up to 10 times. Unfortunately, these healthcare statistics present in real life. According to ASCA, 65 per cent of male and female prisoners have been sexually or physically abused, and 70 to 80 per cent of homeless youth have suffered similar experiences. Whether it is through substance abuse, eating disorders, depression or post-traumatic stress disorder, childhood abuse is causing significant and ongoing costs for society. In November 2008, Access Economics published a report estimating the financial impact of physical, sexual and psychological abuse. This report counts the cost of child abuse on the health, education and welfare systems, including the salaries of doctors, probation officers, teachers, police, foster carers and social workers, who all deal with abused children. Access Economics, in cooperation with Monash University Child Abuse Prevention Research Australia, came

up with two alarming figures. Taking a very conservative figure of approximately 170,000 abused children per year as a basis, the financial impact tallies up to almost \$7 billion every year. That is the actual financial impact of this.

Considering the more realistic figure of 500,000 abuse cases every year the report says,

‘the best estimate of the actual cost of child abuse incurred by the Australian community in 2007 was \$10.7 billion—

including the monetary value of the pain and suffering that children experience as a result of being abused and/or neglected. What makes this report unique is the fact that it not only recognises direct costs associated with child abuse, such as costs for social workers, police, doctors, nurses, foster families and psychologists, but also highlights that abused and neglected children can suffer from depression, anxiety and the ongoing effects of trauma. They may struggle to learn at school and may feel isolated as they may be unable to maintain what we consider to be normal relationships with their family and friends.

The damage of child abuse and neglect goes well beyond the physical manifestations of bruises and tears. Certainly what we need is a greater awareness in the healthcare and criminal justice systems to help identify those who are at risk and to offer them treatment before it is too late. ASCA is fighting for this very aim, and it is hard to imagine how many people would suffer even more if it was not for their continuous commitment and extraordinary dedication.

It can be incredibly hard for adult survivors to break their silence. Some of them have kept their secrets for decades, making it incredibly hard to find a way out of their isolation. Many survivors have told themselves over the years, ‘That’s happened in the past; get on with it,’ only to realise years

later that it is not that easy to cope with in the long term. Have a look, for example, at a recent abuse charge in New South Wales. A Catholic priest is accused of having sexually abused 31 young boys between the late 1960s and the mid-1980s. This case shows that the crime of decades ago is anything but forgotten in the everyday lives of the victims. This case shows how long it can take until survivors face their offenders and hold them accountable—if they can do it at all.

Guilt and self-blame are highly damaging. They stay with both male and female victims throughout their lives. Many suffer feelings of failure and isolation and think that it is a sign of weakness to discuss their past abuse with others. This is particularly difficult for male survivors. Coming to terms with their traumatic experiences is not easy for both sexes. But for men the stigma is even worse as many boys’ bodies respond to the touching they endure. Offenders are aware of this, convincing their victims that they ‘wanted it’ because they must be homosexual. As a consequence, many male victims blame themselves for their own abuse and remain silent—drowning their pain in drugs and alcohol rather than realising that no child is ever responsible for the violence directed against them.

Adult survivors need special treatment, which Australia does not provide thoroughly and systematically today. State and federal governments need to develop and deliver programs which are designed for the specific needs of survivors. These programs must be available all over Australia, including rural and regional areas. Counselling and therapy must be affordable and, more importantly, easy to access. We also need to focus on the training of healthcare professionals. We need to increase the capacity and skills of the mental health workforce to offer effective and timely help to adult survivors. It is time to lift the needs of adult survivors higher on



the national agenda. It is an absolute priority for all of us.

**Sitting suspended from 1.57 pm to 2.00 pm**

**QUESTIONS WITHOUT NOTICE**

**Budget**

**Senator MINCHIN** (2.00 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Will the minister confirm that this Labor government is now the biggest-spending government in modern Australian history with expenses forecast to be 29 per cent of GDP in the coming financial year?

**Senator CONROY**—I thank Senator Minchin for his question. The global recession has led to the biggest downgrades in budget revenues in living memory, wiping around \$210 billion from the budget. These downgrades are responsible for around two-thirds of the deterioration in the budget position since the last budget. In the current environment the only responsible course of action is to borrow to finance the temporary deficit. The alternative, significant spending cuts or tax increases, would result in a deeper and longer downturn and much higher unemployment. Even after accounting for revenue downgrades, the government's balance sheet remains among the strongest in the world. Our projected levels of net debt are lower than any of the major advanced economies. Net debt is projected to peak at 13.8 per cent of GDP in 2013-14. This compares to an estimated 80 per cent of GDP for the 25 largest advanced economies collectively. Let us be clear: the government has a clear strategy that will begin returning the budget to surplus— (*Time expired*)

**Senator MINCHIN**—Mr President, I ask a supplementary question. I refer to the fact that the Treasurer did not have the courage to confess to the Australian people in his budget speech last night what the total deficit and

debt are in the Rudd government budget. Given that the Treasurer will not tell us, will the Minister representing the Treasurer in the Senate, Senator Conroy, summon the courage to level with the Australian people and tell them exactly what the debt and deficit is in this budget?

**Senator CONROY**—The net debt deficits over the forward estimates, to save your lazy shadow Treasurer the trouble, are \$32.1 billion or 2.7 per cent of GDP in 2008-09, \$57.6 billion or 4.9 per cent of GDP in 2009-10, \$57.1 billion or 4.7 per cent of GDP in 2010-11, \$45.5 billion or 3.4 per cent in 2011-12 and \$28.2 billion or two per cent of GDP in 2012-13. This budget has a strategy. This budget has a strategy to pay down debt as the economy recovers. (*Time expired*)

**Senator MINCHIN**—Mr President, I ask the minister a further supplementary question. Given these massive deficits which he has just confirmed and the record spending of an extra \$220 million a day since the government was elected, does this not prove that Labor has lost control of the nation's finances?

**Senator CONROY**—What a bunch of frauds on the other side, and the frauds could not even manage to get through the morning before they were exposed. When asked on *Sunrise* how much debt he would support and how big a deficit he would support, Mr Hockey said:

Our deficit would be smaller. I'll give you a figure as a starting point. At least \$25 billion.

That was at 8.09 am. By 8.27 am the Leader of the Opposition on *Sunrise*, when asked the same question, said:

If we were in government today revenues would be higher, spending would be lower; therefore, debt would be much lower and the deficit would be much lower.

He is asked, 'But you can't say what figure?' and he says:

No, you can't because you—because I mean you sit down and you would work out a model.

So in less than 20 minutes these frauds on the other side of the chamber— (*Time expired*)

### Budget

**Senator MOORE** (2.06 pm)—My question is to the Minister representing the Prime Minister, Senator Evans. Can the minister please outline to the Senate how the 2009-10 budget, outlined by the Treasurer last night in the face of the enormous economic challenges faced by the world's economy, enables the government to support jobs and to deliver the investments needed to strengthen the Australian economy? What is the estimated number of jobs that will be protected as a result of the government's actions to date and when is it projected that the budget will be returned to surplus—

*Opposition senators interjecting—*

**The PRESIDENT**—I cannot hear the question because of interjections. That is unfair to me and to those wanting to listen to the question. Senator Moore, start again. I did not hear the full question.

**Senator MOORE**—Thank you, Mr President. Can the minister please outline to the Senate how the 2009-10 budget, outlined by the Treasurer last night in the face of the enormous economic challenges faced by the world's economy, enables the government to support jobs and to deliver the investments needed to strengthen the Australian economy? What is the estimated number of jobs that will be protected as a result of the government's actions to date and when is it projected that the budget will be returned to surplus as a result of the savings measures announced last night?

**Senator CHRIS EVANS**—I thank Senator Moore for her question. This is very much a nation-building budget, a budget focused on roads, rail, ports and clean energy.

The government has taken hard decisions to stimulate the economy, support jobs and best position Australians to take full advantage of a global recovery. The budget keeps stimulus and investment flowing to support the economy in these tough times and locks in the savings that will get us back into surplus when the tough times have passed. This budget is the third component of our stimulus strategy, which we know is working. The first component was payments to support jobs, the second was construction of shovel-ready schools and homes throughout the nation and now the third is stimulus through big infrastructure projects.

As a government there are no easy answers when you are tackling the biggest revenue downgrades ever confronted by an Australian government. The biggest global recession since the Great Depression has dragged Australia into recession, pushing up unemployment and wiping more than \$200 billion off revenues. The choices we have taken in this budget will not jeopardise our recovery and they will see us return to surplus in 2015-16. Everyone has been asked to do their bit, especially those that have done well and can afford to contribute a bit more during these tough times. Not only are there savings but there are long-term structural reforms that will help put the budget back on a sustainable path—not just spend in the good years, but put it on a sustainable path. The Commonwealth Treasury says 200,000 Australians would be out of work if not for this stimulus and budget. We think this is a budget for the times, a budget that will stimulate jobs in our economy and prepare us for the future as well.

**Senator MOORE**—Mr President, I ask a supplementary question. Could the minister give further detail of how the budget provides a fair go for pensioners? What additional weekly payments will go to pensioners, what is the estimate of how many pen-

sioners in Australia will receive those benefits and how are those increases backed up by the recent Harmer review?

**Senator CHRIS EVANS**—Thank you, Senator Moore. Last night the Treasurer announced a most significant increase for single pensioners of \$32.49 per week.

*Opposition senators interjecting—*

**Senator CHRIS EVANS**—The opposition may not support the increase for pensioners but we think it is one of the main positive features of this budget. Couples will receive an increase of \$10.14 per week—major reform to assist Australian pensioners—and 3.3 million aged pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients will benefit from increases in those pensions. In 12 years of Liberal government they did not get anything. We have moved to fix the problem with the base rate of the pensions to ensure pensioners have a decent standard of living. These reforms will improve the adequacy of the pension system, make it simpler and secure its sustainability into the future. We think all Australians should welcome these changes. *(Time expired)*

**Senator MOORE**—Mr President, I ask a further supplementary question. Could the minister also explain to the Senate how in particular this budget will benefit carers and veterans? What additional payments will carers and veterans receive and how many carers and veterans are estimated to benefit from those increases?

**Senator CHRIS EVANS**—Carers and veterans will also benefit from the significant increase in recurrent pension spending. The government recognises the selfless contribution made by carers every day. Around 140,000 carers who receive the carer payment or a related income support payment will receive the pension increases announced in the budget and around 500,000 carers

across Australia will receive a new permanent carer supplement. The new annual carer supplement will also provide around 450,000 recipients of carer allowance with \$600 for each person they care for. Flowing on from the Harmer review of pensions, the government has allocated \$1.1 billion over four years to provide extra financial support in the Veterans' Affairs portfolio. Over 320,000 service pensioners and war widows will benefit from the pension changes. These are the most significant reforms to the pension since it was introduced 100 years ago. *(Time expired)*

### Budget

**Senator COONAN** (2.13 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Is it a fact that two-thirds, \$124 billion, of the Rudd Labor government's debt bombshell of \$188 billion is made up of new spending by the government since the election of November 2007?

**Senator CONROY**—The budget's central task is nation building for recovery. It is a budget all about supporting jobs today by building the infrastructure Australia needs for tomorrow. It is a budget that shows up to 210,000 Australians would be out of work if those opposite had their way—210,000 Australians would be out of work if not for our stimulus and the nation building that we have engaged in. There is no way for those opposite to escape it. You would condemn 210,000 more Australians to being out of work if your policies were being pursued, and shame on you for that! All we have seen from the Liberal Party is their typical opportunism—

**Senator Abetz**—Mr President, I rise on a point of order in relation to the requirement that the minister be directly relevant to the question. We know that, with this minister, fibre is not connected to the node, but could I invite him to address the question that was

actually asked, and that relates to whether or not two-thirds of the \$188 billion is extra spending by the government since the last election. I would ask, Mr President, that you ask him to direct his comments to the question that was actually asked, not the one that he wished was asked.

**Senator Ludwig**—Mr President, on the point of order: Senator Conroy has been relevant to the question and, if we want to use the phrase, ‘directly relevant to the question that has been asked’. Senator Conroy has more than a minute left to answer the question in relation to the budget which was delivered last night by Mr Swan. The question went to both facts and figures in relation to the budget, and Senator Conroy is on point in answering that question. He is providing sufficient information and still has a minute to go to provide additional information in respect of the question asked. I submit there is no point of order in respect of the matter raised by Senator Abetz.

**The PRESIDENT**—Senator Conroy, I draw your attention to the fact that there are 58 seconds left in which to answer the question that was raised by Senator Coonan in her primary question.

**Senator Faulkner**—Mr President, on the point of order: I do not know if you have noticed—I certainly have—that there is an extraordinary amount of commentary coming from the other side of the chamber while Senator Conroy has been on his feet. I note that those asking questions from the opposition have been heard in respectful silence. I note that the minister has hardly been able to get a word in edgeways and, finally, I note, and ask you to rule on the fact, that I would not have taken this point of order except that, during the first sentence in answer to the primary question asked, Senator Abetz loudly interjected across the chamber, ‘Answer the question.’ I would respectfully sug-

gest to you, Mr President, that the opposition have been most disorderly while Senator Conroy has been on his feet.

**The PRESIDENT**—There is no point of order. There are 58 seconds remaining, Senator Conroy, for you to answer the primary question that has been asked by Senator Coonan.

**Senator CONROY**—Those opposite seek to avoid their responsibilities in this chamber. They seek to avoid a genuine debate about the budget. They try to pretend they are asking questions about the budget and you are not in a situation, Mr President, where you can actually point out the facts as opposed to the propaganda from those opposite. Since the first stimulus payment announced in October, almost 70c in every dollar has gone to infrastructure. Those opposite are guilty of their typical opportunism and their typical negativity. They continue to walk both sides of the street. Let us be clear to those opposite: this morning, the shadow Treasurer nominated \$25 billion worth of savings by less spending. On Thursday night the Leader of the Opposition has to deliver to that challenge. (*Time expired*)

**Senator COONAN**—Mr President, I ask a supplementary question. How much money will need to be spent paying the interest on Labor’s massive and uncontrollable debt burden in the final year of the budget estimates?

**Senator CONROY**—Net interest payments are forecast to be \$1.5 billion, or 0.1 per cent, in 2009-10; \$4.7 billion, or 0.4 per cent, in 2010-11; \$6 billion, or 0.5 per cent of GDP, in 2011-12; and \$7.6 billion, or 0.6 per cent of GDP, in 2012-13. For all the oohs and aahs coming from the other side of the chamber, the undeniable fact is that Standard and Poor’s today exposed the hypocrisy, exposed the con job and exposed the fraud, and nobody better demonstrated that this morn-

ing than the shadow Treasurer. Show us your \$25 billion worth of cuts on Thursday. You claim you are going to borrow less. You claim you are going to spend less on interest-free payments. Well, show us some— (*Time expired*)

**Senator COONAN**—Mr President, I ask a further supplementary question. Now that Senator Conroy has confirmed that every Australian man, woman and child now carries a Labor imposed debt of \$9,000 each, with \$500 interest each year, isn't this proof that the Rudd Labor government has simply lost control of the nation's finances?

**Senator CONROY**—It is not surprising that those opposite have asked the question that they just asked, because this morning the Leader of the Opposition was again seeming to have some trouble actually deciding whether or not we were in surplus or deficit. He was asked specifically by Mr Uhlmann at 8.23 this morning:

CHRIS UHLMANN: But just quickly, you would have engaged in some stimulus spending and there would have been a deficit?

MALCOLM TURNBULL: Well, there is no doubt. Look, I don't think there is, it is very hard to imagine a circumstance in which the Budget this year would not be in deficit but it may have been in deficit by a very small amount or it may have been in surplus by a small amount with different policies.

So those opposite are engaging in correct tactics at question time. They are actually asking for information because the Leader of the Opposition has not got a clue. Mr Hockey has dropped him in it. Mr Hockey has dropped him into a \$25 billion commitment for Thursday night. (*Time expired*)

#### **Swine Influenza**

**Senator BOB BROWN** (2.22 pm)—My question, with a little bit of notice, is to the Minister representing the Minister for Health and Ageing. Following reports of pigs in

Canada catching the Mexican flu—H1N1, otherwise known as swine flu—from humans, what is to prevent pigs in South-East Asia that are already carrying the bird flu virus, H5N1, from catching the Mexican flu as it spreads there and being the incubator for a more deadly strain of avian and swine influenza with human-to-human transmissibility? In what other ways might the Mexican H1N1 flu become more life threatening?

**Senator LUDWIG**—I thank Senator Brown for his question. I have the following answer. This is a question, of course, that is in relation to the transmissibility, which is being considered by scientists worldwide. The spread of influenza A from humans to pigs as occurred recently in Canada is unusual. There is potential, if the H1N1 virus spreads into Indonesia, for it to be passed from humans to pigs. If this were to happen, it is not known if the virus would be able to mix with the H5 virus, otherwise known as the bird flu, within the pig population. Evidence to date about the bird flu virus is that its ability to mix with other viruses is limited compared with the ability of seasonal viruses—that is, those which are H1 and H3—to mix. Nonetheless, this is an important concern that needs close monitoring within any region that has endemic infection with H5 in animal populations. Australia has provided substantial assistance to Indonesia to enhance their ability to detect and manage the H5 bird flu. I also briefly add that to date there have been no further confirmed cases of H1N1 influenza 09—that is, the human swine influenza—since 9 May 2009, and the Australian phase of influenza pandemic alert remains at 'delay'. There is, of course, no evidence of person-to-person transmission of the virus in Australia, and the Commonwealth Chief Medical Officer advises that there is no change to the alert level in Australia at this time. I can say— (*Time expired*)

**Senator BOB BROWN**—Mr President, I ask a supplementary question. I thank the minister and ask him again in what other ways the Mexican swine flu might become more life threatening. For example, is it not possible that the Mexican flu might, in humans, cross with the virulent Brisbane strain, H3N2/H1N1, and become Tamiflu resistant? I ask that question because we know that there are eight to nine million courses of Tamiflu in Australia, but that bulwark against the spread of bird or swine flu might be rendered useless were such a Tamiflu resistant strain to become real.

**Senator LUDWIG**—I thank Senator Brown for his supplementary question. I can add in relation to the question of in what ways the Mexican H1N1 flu might become more life threatening that the Mexican H1N1 influenza could become more life threatening if the virus changed its genetic structure. It could also cause a mild disease. History has shown us that pandemic viruses change in severity as they move around the world causing waves of disease. The World Health Organisation has stated that the emergence of an inherently more virulent virus during the course of the pandemic can never, of course, be ruled out. Australia is amongst the best prepared nations in the world for pandemic infectious diseases. As to the question of whether Australia is prepared for a pandemic, I can answer, 'Yes, Australia is one of the best prepared countries in the world—*(Time expired)*

**Senator BOB BROWN**—Mr President, I ask a further supplementary question. The minister mentioned that Australia had given assistance to Indonesia to detect bird flu. I ask the minister: what assistance has Australia given to East Timor, Indonesia and Papua New Guinea in terms of building up their stocks of antivirals such as Tamiflu and Relenza?

**Senator LUDWIG**—Thank you, Senator Brown. As I was providing assistance to you in relation to that question I did, as you indicated, indicate that we are providing assistance. I do not have the specific details of each individual assistance that we are providing. I am happy to take it on notice and provide you with a response to that as early as the Minister for Health and Ageing is able to. I am sure that you, like the rest of the chamber, are vitally interested in this subject, and we should be able to provide a response as soon as possible. Of course, the preparedness to detect cases of new H1N1 influenza and reduce the spread of the disease reduces the risk of the virus crossing with a Tamiflu-resistant strain. I think it is worth adding that Australia has appropriate stocks of antivirals other than Tamiflu in the national medical stockpile. *(Time expired)*

#### **Budget**

**Senator BRANDIS** (2.28 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Will the minister confirm that Labor's budget forecasts unemployment of nearly one million Australians?

**Senator CONROY**—I thank Senator Brandis and congratulate him on being allowed to ask a question. Let us be clear. What is absolutely clear in the budget papers when it comes to unemployment, the question about which Senator Brandis is asking, is that 210,000 Australians would be unemployed if we had followed Senator Brandis's and the Leader of the Opposition's policy agenda—210,000 Australians.

To come in here and cry crocodile tears for those who are going to suffer, through no fault of their own but through the fault of the global economic recession, and pretend that you are even remotely interested in the plight of those Australian families borders on the incredulous. Those opposite would condemn a further 210,000 Australians and their fami-

lies to unemployment because of the policies they are pursuing and because they are not interested in the slightest. Those opposite have no credibility. They seek to walk both sides of the street. They seek to feign sorrow for the 900,000-plus Australians who will become unemployed yet seek to increase the burden for a further 210,000, plus more to come, depending on how irresponsible they are in this chamber in the near future. Those opposite should take a good, long, hard look at themselves. (*Time expired*)

**Senator BRANDIS**—Mr President, I ask a supplementary question. Do the unemployment projections take account of the inevitable job losses resulting from Labor's proposed job-destroying emissions trading scheme?

**Senator CONROY**—I thank the senator for that. The underlying assumption made by Senator Brandis in that question is fundamentally flawed because, as my colleague Senator Wong has repeatedly outlined, Labor's policy is to increase jobs in many sectors. Many sectors will get an increase in jobs. So the bald assertion—no pun intended—from those opposite that there will be massive job losses ignores the reality of Labor's comprehensive plans in these areas. I am sure, if they asked a question on CPRS to the relevant minister, she would delight in taking them through the jobs that are being created through this government's initiatives in the environment of greenhouse science. So feel free, because I know Senator Wong would love to deal with it. (*Time expired*)

**Senator BRANDIS**—Mr President, I ask a further supplementary question. Is the minister aware that New Zealand is forecast to have a deeper and longer recession than Australia? Why is it that it has only forecast five per cent unemployment while Australia is now looking at the horrendous unemployment level of 8.5 per cent? Is that not further

proof that Labor has lost control of the nation's economy? Minister, when are you going to stop hiding behind the global financial crisis? When is the Australian government going to accept responsibility for Australian unemployment?

**Senator CONROY**—I am willing to take at face value that Senator Brandis was handed this question, because I am sure he did not write it himself. To suggest that there is a comparison between the New Zealand economy and its exports and resources and the Australian economy and its interrelationship with its resource base beggars belief. Australia has been dragged into this recession last because we on this side of the chamber have had the courage to implement tough decisions. Those opposite suggest that New Zealand's economy relies on the resource sector. New Zealand did not have a government that just wasted 10 years of a resource boom, frittered it away with cash splashes and did not address the infrastructure needs or the long-term productivity needs of the country. And to come in here and suggest that New Zealand is a comparison point is frankly— (*Time expired*)

#### **Budget**

**Senator STERLE** (2.34 pm)—My question is to the Minister representing the Treasurer, Senator Conroy. Given that we are in the midst of the most challenging global economic downturn for three-quarters of a century, virtually every advanced economy in the world is expected to be in deep recession this year. In Australia, government revenue has taken a massive hit with the write-down of around \$210 billion across the forward estimates since the 2008-09 budget as a result of the worsening global condition. Our gross domestic product is expected to decline by half a per cent this financial year before recovering in 2010-11. Can the minister outline to the Senate what measures are

contained in the budget to support nation building and economic recovery?

**Senator CONROY**—I congratulate Senator Sterle on that excellent question and commend the level of research that went into it to the opposition question time tactics team. We are indeed facing an unprecedented contraction in the global economy. The centrepiece of last night's budget was nation building for recovery. This government is committed to supporting the jobs of today by building infrastructure Australia needs for tomorrow. As the Treasurer noted last night, the Rudd government has delivered a budget that is carefully crafted to create a solid foundation for future growth and position us to capitalise on the global recovery when it comes. At the core of this budget is the biggest plan for spending on nation-building infrastructure since the Snowy Mountains scheme. The budget is focused on stimulating productivity and supporting jobs, underpinned by investment in rail, road, port and broadband infrastructure that are the building blocks of the 21st century economy.

It builds on our education revolution, giving schools, universities and TAFEs the funds to provide training places that will ensure Australian workers are skilled up and ready when the recovery comes. The budget creates a historic system of paid parental leave, giving new parents the time to spend with their babies while retaining their links to their jobs and providing a massive boost to workforce participation and productivity. We are investing in world-class hospitals, research and innovation and giving our pensioners the fair go they deserve. (*Time expired*)

**Senator STERLE**—Mr President, I ask a supplementary question. Given that international experts around the world have indicated that investment in productive economic infrastructure will be vital for both creating

jobs in the short term and laying the foundations for future growth, productivity and competitiveness in the medium to long term, can the minister provide further detail on infrastructure spending contained in the budget? What, in particular, will the budget deliver to regional and rural Australia?

**Senator CONROY**—The centrepiece of the budget is the \$22 billion we are investing in the infrastructure of our nation, which it needs to grow and prosper in the years ahead as we emerge from the global recession. The government will invest \$8.5 billion in Australia's critical road, rail and port infrastructure needs, neglected for 11½ long years by those opposite. A key investment is an additional \$3.4 billion in Network 1, the road freight corridor between Melbourne and Cairns, which includes the Hume, Pacific and Bruce highways. The government is also investing over \$3 billion in other road infrastructure projects in regional New South Wales and Queensland. (*Time expired*)

*Opposition senators interjecting—*

**The PRESIDENT**—When there is quiet, I will call on Senator Sterle.

**Senator STERLE**—Mr President, I ask a further supplementary question. The budget announced last night was framed in the most challenging economic circumstances since the Great Depression, and some tough choices were made to ensure that our economy moves forward on a sustainable footing in the future. In this light, could the minister explain why the nation-building measures announced in last night's budget are required now? Why are these investments in infrastructure needed at a time when government revenues are under such extreme pressure? How will these measures support jobs and stimulate the economy?

**Senator CONROY**—The Rudd government is determined to invest now in the building blocks of long-term growth and



economic recovery. As Australia is hit by the brutal force of the global recession, we must now invest in the infrastructure and the human capital that were so shamefully neglected by those opposite during the boom years. Rather than invest in the future, those opposite chose to pursue short-term political gain. The Rudd government is now dealing—

*Honourable senators interjecting—*

**The PRESIDENT**—Senator Conroy, resume your seat. It is not a time for debate across the chamber.

**Senator CONROY**—The Rudd government is now dealing with the fallout of the failure of those opposite to build essential infrastructure for the 21st century and to invest in human capital for education and training—and you did fail. Up against the wall—*(Time expired)*

#### **Rural and Regional Health Services**

**Senator NASH** (2.40 pm)—My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Can the minister confirm that the budget spends around 400 times more money on pink batts and other insulation measures than on new funding for healthcare infrastructure in rural Australia?

**Senator LUDWIG**—I thank Senator Nash for giving me the opportunity to highlight what we have done in health as distinct from what the Liberals did in the last 10 years when they were in government. Our total health spending of \$56.2 billion in 2009-10 represents, if Senator Nash wants to make a comparison, a 4.7 per cent increase on the previous year. It is \$4.6 billion over four years in spending—plus, of course, for COAG on top of this, \$3.4 billion over four years in savings. Of course, 50 per cent of that is the increase in hospital funding. What we are providing is \$64 billion over five years in health and hospital funding—that is

\$20 billion more. There is \$750 million for emergency departments, \$500 million for subacute care, \$1.1 billion for the health workforce and eight—

**Senator Nash**—Mr President, I rise on a point of order on relevance. The minister was asked a very specific question which he is refusing to answer.

**Senator Conroy**—Mr President, on the point of order: I will happily accept it if you say that was not a point of order, but I do not know how much more relevant Senator Ludwig could be to the question. He was specifically addressing the issues in the question, and I ask you to rule the point of order out of order.

**The PRESIDENT**—Senator Ludwig, you have 51 seconds remaining to answer the question.

**Senator LUDWIG**—Thank you. I am sure Senator Nash in her health question does not want me to talk about pink batts. What I can say, though, in relation to rural health is that the government will deliver \$134.4 million to better target existing incentives and provide additional non-financial support to rural doctors. I am sure that Senator Nash would be pleased that that would assist in rural health. I am sure Senator Nash would prefer that money spent in this way rather than not at all—in other words, deducted from the \$25 billion that those opposite have to find in savings, because, if that is the case, you might then have to look at what the savings will be and where they are going to come from. Is it to suggest that they are going to come from health? What this government will do to ensure that—*(Time expired)*

**Senator NASH**—Mr President, I ask a supplementary question. Will the minister undertake to gain some understanding of health issues in rural Australia—because he obviously has none? Does the minister recall

that the Prime Minister said the buck stopped with him when it came to health and that he would take over all of Australia's 750 public hospitals by mid-2009 if the states had not fixed them?

**Senator LUDWIG**—It is always a challenge when you preprepare your question. The reforms introduce incentives based on the principle of 'the more remote you go, the greater the reward'. That is what this government will deliver. Under the initiative, 500 communities around Australia will become newly eligible for rural incentive payments. This government is concentrating on rural Australia and is providing assistance under the health budget for that. Additional reforms ensure that more than 3,600 overseas trained doctors with restrictions on where they can practise will be able to discharge their obligations sooner if they work in remote communities. We are providing doctors for remote communities, unlike what the previous government did. Under the HECS reimbursement scheme, the rate of reimbursement of HECS payments will be adjusted to give more credit for the remoteness of the location. We are ensuring that we focus our health budget to support those in the rural community. And, of course, the National Rural and Remote Health Infrastructure Program, round 1, will start as well. *(Time expired)*

**Senator NASH**—Mr President, I ask a further supplementary question. Does the minister concede that, with a \$58 billion Labor deficit, there is now no chance of the Prime Minister keeping his promise to 'fix our hospitals'? Isn't this further proof that Labor has lost control of the nation's finances?

**Senator LUDWIG**—The short answer is no, no and no, because we are doing a lot more than the previous government did. This budget provides, as I started to talk about last

time, for the National Rural and Remote Health Infrastructure Program. The infrastructure program will improve access to health services by funding projects in rural and remote communities. Senator Nash has failed to appreciate that. Perhaps she has not read the outlines of the programs in the rural and remote communities. We are acting to support rural and remote Australia in the health budget. We are providing funding in addition to the National Rural and Remote Health Infrastructure Program. We are providing New South Wales with \$4.2 million, Queensland with over \$2 million and WA with over \$2 million. These are all programs designed to assist. We can add in Tasmania as well. *(Time expired)*

#### **Aged Care**

**Senator XENOPHON** (2.46 pm)—My question is to Senator Ludwig, the Minister representing the Minister for Ageing. My question relates to the recommendations arising out of the recent Senate Standing Committee on Finance and Public Administration inquiry into residential and community aged care in Australia.

**Senator Polley**—A very good report!

**Senator XENOPHON**—A very good report. A significant proportion of the 31 recommendations refer to an all-encompassing review of the residential and aged-care sector to be conducted by the Department of Health and Ageing in conjunction with a task force to be established by a newly formed national aged-care forum. I note that there were no dissenting comments to this report and the committee unanimously supported these recommendations. However, the report did not stipulate the preferred time line for this all-encompassing review. My questions to the minister are: when will the government provide its response to the recommendations made by the finance and public administration committee inquiry; does the government

support the recommendations of the inquiry; and, if so, what is the proposed date for the establishment of a national aged-care forum and subsequent task force to conduct this all-encompassing and urgent review?

**Senator LUDWIG**—I thank Xenophon for his question.

**Opposition senators**—Senator Xenophon!

**Senator LUDWIG**—I thank Senator Xenophon for his question. I understand that he does have an interest in residential and community aged care in Australia. I am aware that the report from the Senate inquiry into residential and community aged care in Australia was released on 29 April. My advice from the Minister for Ageing is that the report is currently being considered in detail and a response will formally be made in due course.

**Senator XENOPHON**—Mr President, I ask a supplementary question. Given the numerous previous reviews into the aged-care sector by a range of organisations, including the National Health and Hospitals Reform Commission interim health report, the Hogan review, the Access Economics report, the Thornton review and the Productivity Commission report, will the minister reassure the Australian public that this proposed review will take place as a matter of urgency and will not be delayed, given the urgent issues arising out of the recommendations and the report?

**Senator LUDWIG**—I can only reiterate what my advice is to date, which is that the report is currently being considered and a response will be made formally in due course. Senator Xenophon of course is aware that the budget did increase funding by the Australian government, which will provide financial support for aged and community care providers who care for older Australians, to a record level of \$34 billion. That is

more than \$2.5 billion over previous projections for aged and community care. This government does have a significant interest to ensure that those in residential and community aged care in Australia are cared for. In 2009-10 the Australian government will provide a total of \$9.9 billion to support the aged-care needs of older Australians. That is 9.9 per cent more than in 2008-09. (*Time expired*)

**Senator XENOPHON**—Mr President, I ask a further supplementary question. Will the minister define ‘due course’? Does it mean next week, next month, next year, before the next election, after the next election? Given the various recommendations—

**Senator Sherry**—A lot sooner than the previous government!

**Senator XENOPHON**—I do not know if ‘a lot sooner than the previous government’ helps, Mr President. Can the minister at least provide some time line as to a response on this very important issue?

**Senator LUDWIG**—I thank Senator Xenophon for the question. It would be more appropriate in this instance to say that my advice to date is that the government will consider the report in detail and respond formally in due course. In terms of the time line, I will seek further advice from the relevant minister and provide advice back to the Senate as to the response.

#### **Budget**

**Senator COLBECK** (2.51 pm)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry, Senator Sherry. Given that the agriculture sector will play a key role in Australia’s economic recovery, why has the Department of Agriculture, Fisheries and Forestry been the only department to be hit with an across-the-board budget cut in this year’s budget?

**Senator SHERRY**—I thank Senator Colbeck for his question. I do not think Senator Colbeck is aware of the range of circumstances that have impacted on the budget for the Department of Agriculture, Fisheries and Forestry.

**Senator Abetz**—A weak minister, for starters.

**Senator SHERRY**—This is not superannuation, Senator Abetz. Let me outline the impacts on the Department of Agriculture, Fisheries and Forestry. The first thing that should be remembered when looking at the forward estimates—and I do not know whether the senator has looked at the forward estimates in detail—is that the Dairy Adjustment Levy has been abolished. That accounts for a reduction in the forward estimates of some \$233 million. The second overall range of changes that reduce the forward estimates has been a consequence of the transfer of funding to other agencies, including Centrelink. Another impact on the forward estimates reduction has been drought funding estimates that have been revised because of a decrease in the number of areas EC declared. That is approximately \$28 million. Funds previously recorded in the agricultural portfolio budget of some \$524 million are now accounted for by Treasury as part of the financial relations reforms stemming from a COAG agreement. The number of areas which have been declared to be in exceptional circumstances has fallen from some 74 as at 1 July 2008 to 58 as at 1 May 2009. (*Time expired*)

**Senator COLBECK**—Mr President, I ask a supplementary question. Why, when Minister Burke says, ‘Research and innovation are crucial to the government’s plans to make our primary industries productive and more sustainable,’ has the government gutted the Rural Industries Research and Develop-

ment Corporation and terminated Land and Water Australia?

**Senator SHERRY**—I was indicating in terms of the first question—and I will come to the specific matter raised in the supplementary—that there have been further adjustments to the forward estimates. The Murray-Darling Basin grants for irrigators program concludes on 30 June 2009, resulting in a \$75 million reduction to the agricultural portfolio’s 2009-10 appropriation. I understand that is well known. If you add up those adjustments, I do not accept the assertion or the claim in your question that there has been overall a reduction, given the circumstances that I have outlined. I am not being critical of you, Senator Colbeck, because I would not expect you or indeed any other senator to have read the agricultural forward estimates, given the time, in the level of detail to have been aware— (*Time expired*)

**Senator COLBECK**—Mr President, I ask a further supplementary question. Why should Australian agriculture put up with a minister who is so weak that his portfolio has been slashed by 31.8 per cent, including unidentified savings identified at \$12 million?

**Senator SHERRY**—I think I have responded to the question in very great detail. I have gone through the areas and the programs that have been transferred to other departments and the particular programs that have been concluded—which it was well known were going to conclude—such as the Dairy Adjustment Levy. I have gone through the circumstances. Fortunately, we have improved seasonal conditions in parts of Australia, which was reflected in an overall decline in allocations quite specifically for drought under exceptional circumstances. As I suggested, if you go through those changes, adjustments and movements to other portfolios, you will find that there is not a reduc-

tion in the department's budget. As I have said, I am not being critical, because I do not think you have had the time yet to have had a look through those. *(Time expired)*

### Budget

**Senator POLLEY** (2.56 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. Can the minister please update the Senate on the new budget measures announced last night as part of the government's Solar Flagships program to build the world's biggest solar power project in Australia? How would this important Clean Energy Initiative support growth in the solar industry into the future? How do projects like these assist Australia's transition to a low-pollution future?

**Senator WONG**—I thank Senator Polley for the question and for her interest in the new clean energy of the future and the very substantial announcement in the budget last night of an investment of \$3.5 billion into Australia's Clean Energy Initiative to support the growth of clean energy generation in this country—part of the Rudd government's comprehensive approach to the challenge of climate change.

The Clean Energy Initiative is about reducing our carbon pollution and stimulating the economic activity to support thousands of new pollution jobs. It will strengthen Australia's domestic and international climate change response, underpinned by the Carbon Pollution Reduction Scheme. Under the initiative, the Rudd government will invest \$1.6 billion in solar technologies, including just over \$1.3 billion for the Solar Flagships program. This is about positioning Australia as a global leader, a world leader, in solar energy technology for the future.

Those who were in the chamber yesterday might recall Senator Cormann advocating for nuclear power. While you are for nuclear power, Senator Cormann, we on this side

want to be the world leaders in solar energy—solar energy on this side versus nuclear power on that side. We want to create the clean energy jobs, the low-pollution jobs, of the future.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! Senator Wong, resume your seat. When there is quiet we will proceed.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! The time for debating these issues is after question time, I remind senators.

**Senator WONG**—As I said, we on this side want Australia to be the world leader when it comes to solar technology. This program will aim to create an additional 1,000 megawatts of solar generation capacity in Australia. This is an ambitious target. It is three times the size of the largest solar energy project currently operating anywhere in the world. We will seek to develop up to—*(Time expired)*

**Senator POLLEY**—Mr President, I ask a supplementary question. Apart from the Solar Flagships program, can the minister update the Senate on further actions from the government to support clean, renewable energy technologies? How do these substantial new measures encourage innovation in clean energy generation and low-emissions technologies into the future?

**Senator WONG**—This is a government that is focused on developing the new clean jobs of the future, the low-pollution jobs of the future, that are core to our meeting the challenge of climate change. That is why, in addition to the Clean Energy Initiative announced last night, we have, as you know, a target to increase fourfold Australia's use of renewable energy by 2020. And, of course, the Carbon Pollution Reduction Scheme, which will be introduced to the other place

tomorrow, will for the first time place a price on carbon. I would remind those opposite that their own adviser, in another one of the reports they commissioned in a vain attempt to get over their own scepticism on the issue of climate change, said that central to the way forward and central to building the low-pollution economy of the future is a price on carbon. That is what Mr Turnbull used to think, that is what Mr Turnbull used to say, before those opposite got to him. (*Time expired*)

**Senator POLLEY**—Mr President, I ask a further supplementary question. Can the minister update the Senate on any threats to building the low-pollution economy of the future Australia?

**Senator WONG**—There is one threat, and that is the opportunism of those opposite and the weakness of the Leader of the Opposition. The Leader of the Opposition used to advocate for solar energy, he used to advocate for action on climate change and he used to be prepared to stand up to the sceptics in his own party room. But what we know is that he is not up to the task. Last night's budget delivers a \$15 billion investment, across government, on climate change initiatives. That is what we are doing. What are they doing on that side? Mr Turnbull is shrinking in the face of the opposition in his own party room. He used to believe in these matters, but now he is too weak and too opportunistic to face up to the challenge.

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

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

**Budget**

**Senator BUSHBY** (Tasmania) (3.02 pm)—I move:

That the Senate take note of the answers given by the Minister for Broadband, Communications

and the Digital Economy (Senator Conroy) to questions without notice asked by the Leader of the Opposition in the Senate (Senator Minchin) and Senators Coonan and Brandis today relating to the 2009-10 Budget.

This is a government that does not care about debt. Eighteen months ago, Kevin Rudd and Wayne Swan stood before the Australian people, put their hand over their hearts and said, 'We are economic conservatives.' And I think the Deputy Prime Minister, Julia Gillard, did the same.

**Senator Cash**—They were loose with the truth!

**Senator BUSHBY**—They were loose with the truth, and that is becoming readily apparent now. When they were asked by the media, by commentators and by voters 'What do you mean when you say you are an economic conservative?' they said, 'We will deliver budget surpluses'—and the voters believed them and elected them to government. Here we are, 18 months later, and the reality is now exposed. The fact is, as we have seen from last night and from everything that this government has done in the last 18 months, debt is in Labor's DNA. Every Labor government since at least World War II has left office owing more money than was owed when they came into government.

**Senator Cash**—But this is a record.

**Senator BUSHBY**—I am getting to that. Look at the days of Gough Whitlam as Prime Minister and the debt that was accumulated in a very short period there. It was legendary how quickly he turned things around. Things went 'straight down the toilet', so to speak. Yet in 18 months this government have surpassed Gough Whitlam's record. They are spending 29 per cent of GDP. Debt as a percentage of GDP is at record levels, and it is already much higher than Gough Whitlam's debt. I take you back once again to before

the election. Peter Garrett said before the last election, 'Just wait until we get elected and then we will change it all.' I tell you what, in the last 18 months you have changed everything. I saw Senator Conroy standing there saying, 'We'll deliver every single one of our election promises,' yet last night you broke most of them. You have broken them over and over again. From the promise to deliver surpluses through to the promise to deliver broadband by the end of last year—whatever it is, it is all broken.

Let me address one issue on debt. The debt that we are accumulating as a nation, which every Australian man, woman and child will have to repay and pay interest on, is not just a consequence of the global financial crisis. This is demonstrated by the fact that this government have spent \$124 billion on new discretionary spending that did not have to be spent. They have made a decision to put on the books an extra \$124 billion that did not have to be there. When you are looking at a total net debt of \$188 billion, as projected in the current figures, that is roughly two-thirds of the debt that we are expecting to have to pay back for every Australian man, woman and child. Two-thirds of that debt has been accumulated on the national accounts by discretionary spending. So we have \$124 billion of new spending—and that is only so far—but very little in the way of tough decisions.

In the lead-up to this budget we heard all sorts of stories about the tough decisions. We have heard the ministers today saying that they are making tough decisions. But where are the tough decisions in this budget? Going out and borrowing more money is not a tough decision; it is the wimp's way out of this. A tough decision would be to take tough decisions seriously and say: 'We do have money coming back. Maybe we shouldn't add all this extra spending that we are doing. Maybe we should look at some of the pro-

grams we have instituted that perhaps are not as good as we think they are. Maybe we should not have spent as much on the way through this in the last 12 months on profligate stimulus packages in areas that are not going to provide any lasting economic benefit.'

What will this debt mean for Australians? Does it really matter if the government goes into debt? Senator Conroy said that Standard and Poor's are saying that we can actually handle the level of debt Australia have gone into, that it is not the end of the world. Maybe as a nation, at this stage, we can meet the interest payments—there is no threat to our ability to repay—but what does it actually mean for Australians? It means \$9,000 worth of debt for every Australian man, woman and child.

**Senator Cash**—And interest.

**Senator BUSHBY**—Yes, interest is a good point. Every year, the interest debt will require the payment of the equivalent of \$500 for every man, woman and child. That works out at about \$10 billion a year. There is a difference between net interest and total interest payments—and that needs to be on the record. What could you buy for an extra \$10 billion a year? How many more schools, teachers, roads, hospitals or health staff could you actually afford if you did not have to pay \$10 billion in interest?

**Senator HUTCHINS** (New South Wales) (3.08 pm)—Senator Bushby's contribution just then should remind all of us how isolated, insular and disconnected the coalition is from what is happening out in regional and rural Australia—in the streets and suburbs of our country. Do you not know what is going on out there? Do you not know exactly how much people are bleeding, that they are concerned about their jobs, their incomes, their livelihoods and their standard of living? What do you propose? What does the coalition propose?

We have just heard some diatribe about debt. Let me tell you about what Mr Hockey said this morning on *Sunrise*. Mr Hockey, at 8.09 this morning, said, ‘Our debt will be smaller.’ I am not sure the coalition are aware of that, that their debt would be smaller than our debt. ‘At least \$25 billion smaller.’ Then, as the minders got wind of what Mr Hockey had said, at 8.27, when asked about whether he would have a deficit, the current Leader of the Opposition, Mr Turnbull, said: ‘No, you can’t because you—because I mean you could sit down and you could work out a model but, as we see it, with all these financial models, you know, each assumption becomes fairly subjective.’

They do not know what they stand for. They do not know what they want to do in this current global financial crisis. All they want to do is be seen to be some sort of accountant who adds up and subtracts figures. We are dealing with men, women and families in this country who are in need of assistance from this government and all you would do is sit there and let them burn.

A great article was written by a Labor historian called Robert Murray, who wrote a great book called *The split: Australian Labor in the fifties*. Mr Murray said that the Depression generation, the parents and grandparents of all of us, said: ‘Why was it that the government did not intervene?’—the government of Joe Lyons and Menzies—with the sorts of great infrastructure projects which we are doing. Why was it that in 1929 to 1931 and in 1940 they could not find the money to do anything about roads, rail, ports, hospitals and schools? Why could they not find that money? But in 1939, the conservative government of that period could find money for guns, tanks, bullets, cannons, aircraft, ships and any other ordnance required for combat—as they should have. That generation asks why that was. Why couldn’t they find the money in 1930 to alle-

viate the difficulties of the population, but in 1940 they could find that money to stimulate the economy because of a threat? That is what we are doing now. We are finding the money to deal with that economic threat. We are finding it. We are dealing with the issues, unlike yourselves.

*Senator Cash interjecting—*

**Senator HUTCHINS**—You do not know what you stand for, Senator Cash. I have just read out what you stand for. You don’t know. At 8.09 Mr Hockey says something and your current opposition leader says something else 20 minutes later. You don’t know what you stand for. We do know what we stand for. We want to stimulate the economy and we want to create jobs. If you had been overseas lately, as I have with some of my colleagues, including the opposition whip, you would have seen the debilitating effects of what is going on, particularly in the Western world. We will not let that happen here. This government will not stand by and let that Depression generation develop here. We will intervene. We have intervened and we will continue to intervene to make sure Australians are not punished or hurt by the effects of this global economic crisis.

**Senator IAN MACDONALD** (Queensland) (3.13 pm)—What a bizarre contribution. One can only assume that Senator Hutchins was supporting the ultimate socialists—that is, communist Russia when they joined with Nazi Germany to take over the world. As I recall, the unions at that time would not load the armaments onto the wharves because the ultimate socialist nation of Russia did not want them to participate in the war. I can only assume that Senator Hutchins thinks there is something good about rolling over to aggression from socialist and Nazi combinations.

I am distracted. You have to wonder when the two most underperforming ministers in



this chamber start referring to each other for support—two ministers who have been humiliated by enormous backdowns from their policy mantra over the last two years. When Senator Conroy, who was humiliated with his backflip on the National Broadband Network, starts referring to Senator Wong, who has been humiliated for her backdown on the emissions trading scheme, you know the Labor Party is in real trouble.

What concerns me, amongst all other major things in this budget that has been brought down by Mr Rudd, is the complete lack of interest the Labor Party has yet again shown for people who live in rural and regional Australia. As my colleagues have pointed out, the only department that has a direct influence in the industries that have been keeping Australian afloat in the last 12 months has been gutted to the extent of almost \$1 billion. I challenge the next Labor speaker to point out to me what benefits have gone to rural and regional Australia in this budget—not, I might say, Bruce Highway roadworks, which were in fact flagged and funded by the previous government, but what new initiatives have there been for rural and regional Australia? Sure, Land and Water Australia has been annihilated. That was one organisation that did a lot of good research for rural and regional Australia and the industries that keep it going. The Rural Industries Research and Development Corporation has been absolutely shattered by the cutback in funding. That is nothing compared to what will happen to rural and regional Australia when even the totally backflipped and amended emissions trading scheme hits those parts of Australia that are not in the capital cities.

You have heard a lot of comments about infrastructure spending. It is a well-known fact that the infrastructure spending in last night's budget was actually less than had been committed in the forward estimates by

the previous government for Auslink. So they are spending less than we would have spent, had we still been in government. What they have spent in the way of infrastructure is all for infrastructure in the capital cities. There is nothing for rural and regional Australia. I assume the only one on the other side who has any interest in rural and regional Australia—because he used to drive a truck out there occasionally—is Senator Sterle, who I assume is going to speak next. I do not see anyone else in the chamber. I challenge Senator Sterle to point out to me just where in the budget there is any joy for rural and regional Australia. Where are the infrastructure projects?

On this side of the house there are five or six senators who actually live and work in regional Australia and understand the problems of rural and regional Australia, which nobody on the Labor Party side has any interest in or any concern about. The 31.8 per cent cut in the budget for the Department of Agriculture, Fisheries and Forestry is symptomatic of this government's lack of interest in what happens in the bush. Sure, spend all the money on your city voters; that is what the Labor Party is all about. Put us into debt that is even greater than what Mr Whitlam, Mr Hawke and Mr Keating gave us. This government demonstrates again that you cannot trust Labor with money.

**Senator STERLE** (Western Australia) (3.18 pm)—I must say that taking note of answers is an interesting part of the Senate procedure, but I have to concur with my colleague Senator Hutchins that, if Senator Bushby's contribution is a reflection of those opposite, it is sad. I could go into a tirade, I could go into a rant, I could raise my voice and I could throw accusations at Senator Macdonald and Senator 'Wacka'—sorry, Senator Williams not Senator 'Wacka'. I apologise for that. I am sorry; I was not being rude—that is his nickname.

Nothing really worries me. The day I start shaking in my boots because Senator Macdonald has thrown a challenge at me is the probably the day it is time for me to pack up, leave and go back to truck driving. While I am on that, if we talk about truck driving, if you want to demean people, Senator Macdonald, go do some homework: I did more kilometres out there in rural Australia than you ever will. If you want the challenge, Senator Macdonald, take it outside and we will have that challenge.

We are in the midst of the greatest global financial crisis since the Great Depression, and it is so totally sad to listen to that side over there and their leadership—and I am talking about their shadow Treasurer, Mr Hockey. I also watched *Sunrise* this morning, and I thought the Prime Minister was absolutely articulate and straight to the point. He delivered the round-up of last night's budget in the short time he had absolutely brilliantly. Then I saw Mr Hockey being interviewed by David Koch and he really was like the rabbit in the spotlight. And I have to restate what my colleague Senator Hutchins said. At 8.09 this morning, when Mr Hockey was asked what would he do, he said the coalition's deficit would be smaller. He probably blurted that out about three times, until Mr Koch actually said, 'Well, how much?' and Mr Hockey came out with a figure of \$25 billion. I heard that. It is there on the internet; you can see it. What are we talking about here? The day after budget day, 18 minutes later, the leader, Mr Turnbull, came out and gave another rant that was completely at odds with Mr Hockey.

Let us get back to the more important things. They are a rabble over that side. But it is sad for working Australians to think: if the coalition still had their hand on the till, what would they do? That is the challenge that should be answered. What would you lot over there do? Sit it on your hands? Not

worry about jobs? How many jobs would have gone by now? This is the scary part. Because you are still in relevance deprivation syndrome. Work Choices killed whatever goodwill you had with the Australian people. Out it went. You know that. All your internal polling showed that. You paid heaps and heaps of dollars to find out what went wrong. We will tell you what was going wrong: since you got the Senate, you got greedy. We told you for three years what Work Choices would do. You took the Australian people as fools. There was a previous Liberal leader who lost his seat because of the same miscalculated stupidity. History does repeat itself.

What would you do? Where would you have invested, and would you have invested? What would you have cut? What departments would have been slashed? How many jobs would have been slashed? How many jobs would not have been created? These are the questions being put to that side of the parliament every day. I watch the news like you all do on the other side. We get our news clippings. I have not seen one intelligent answer yet. That is what I said very clearly. It is sad because that is the best that that side of politics can come up with: ramblings from a leader, not even a coherent line, 18 or 19 minutes after the shadow treasurer bumbled his way through a TV interview out the front of this great building this morning. You cannot even get your story right because you do not know, you do not have answers.

This is a nation-building budget. Can members of the previous government put their hand on their heart and tell us what great nation-building projects they undertook in their 12 years? I can think of one. There was a railway line from Adelaide to Darwin. Being a freight man, there is room for a rail, there is room for road, there is room for air transport. This is an island and we have great distances, and transport is an imperative. But

that railway line has been a disaster; it has lost money every year. What else did that side of parliament do in the Howard era, in those 12 years? What nation-building projects did they undertake? (*Time expired*)

**Senator WILLIAMS** (New South Wales) (3.24 pm)—On 15 September last year I made my first speech to the Senate. In that speech I drew an analogy of running the family farm and running our nation. I said:

The family farm cannot carry too much debt: otherwise, when the tough times strike, the farm will be in financial trouble. So too with our nation. If governments build debt, they are mortgaging our children's future away. It pleases me that the previous government paid off our huge debt. This is something that as a nation we can be proud of. It is surely the envy of many.

Look at what is happening today with the mismanagement of finance, the blatant abuse of borrowing that this government has now undertaken. We are looking at a debt by 2011-12 of some \$220 billion. They have already admitted that the budget will not go into balance or into the black by even the smallest amount until 2015-16. So we are looking at a debt of some \$300 billion that the federal government will owe, and the reason it will go that high is that from 2011-12 they have forecast economic growth to be a massive 4.5 per cent, and to continue the following year. In their dreams, I say, to think that in 2011 and 2012 we are going to have 4.5 per cent growth continuing and that that will perhaps bring in extra taxes for the government. They will run us to a \$300 billion debt. We are already looking at \$220 billion. With the money they will put into the National Broadband Network, if they do not get private investment especially, there is \$43 billion committed. They want a guarantee of another \$26 billion for the so-called Ruddbank.

Let us just look at \$300 billion worth of debt. We know one thing is for sure: money

is just like any other commodity or service. When demand exceeds supply, the price rises. What they are doing is contributing to higher interest rates in the future. That is exactly what is going to happen. So if we have got a \$300 million debt in the year 2015, at 6.5 per cent you are looking at \$20 billion a year just to pay the interest bill—\$20 billion until you pay one nurse in an aged-care facility anywhere in Australia, until you carry out one small obligation of the federal government's responsibility. It is \$20 billion just in the interest. I say: how are we ever going to pay it back? When I made my maiden speech in this parliament last September, it was pleasing that this nation was debt-free. And to think that in the matter of four or five years we are going to be drowning in debt of some \$300 billion. As I said, this is mortgaging our children's future away.

But this is what you expect. When we look across to the other side of the chamber, of the 32 Labor senators 26 come from the union movement. They slotted their way into here by being active in their unions. What is their business experience? Here they are running the biggest business in the nation today, and most of them have probably never run a business. So what hope would they ever have of actually controlling and managing the finances of this nation?

This is an absolute disgrace, to put us into this much debt. They are skiting and gloating about the infrastructure. What is the big rail infrastructure for New South Wales, that proud state I represent that has a government hell-bent on putting it down the tube? We have got \$91 million for the West Metro line in Sydney. There is virtually nothing for inland New South Wales. Anywhere west of the divide there are no projects of substance in roads or rail. What have they done for water? Surely if we are to get out of this debt and pay the interest we need industry and exports to do that, and the agricultural indus-

try has taken the biggest hit in this budget, abolishing Land and Water Australia to actually plan, prepare and conserve our natural resources, to go on with research and development in the agricultural industry. That is after Prime Minister Rudd commended the Chinese government for their stimulus package and the way they are focused on their primary industries. Here he is doing exactly the opposite.

It is with deep regret that I see that the financial mess this mob are putting this nation into is just going to ensure tough times for our children's future, and that is frightening.

Question agreed to.

### PETITIONS

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

#### Seniors Health Card

To the Hon President and Members of the Senate in Parliament assembled:

The petition of the undersigned shows:

The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of self-funded retirees, people who have made and continue to make a significant contribution to this nation's well-being as taxpayers, volunteers and citizens.

This petition concerns the proposed inclusion of previously taxed money from superannuation (both income streams and lump sums) in the income threshold for the Commonwealth Seniors Health Card.

The *Social Security and veterans Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009* will have the same effect as lowering the income threshold for CSHC eligibility for those Seniors with superannuation payments as, in an unprecedented move, money from superannuation which has already been either fully or partly taxed, will now for the first time be included in the adjusted taxable income to determine eligibility for the Health Card.

The current threshold has not been increased since 2001. Not only has it not been indexed since then, but now, if this legislation is passed, it will therefore be effectively lowered for those retired people reliant on their savings, depriving many of concessional pharmaceuticals, utilities allowance, Seniors Bonus, phone allowance and discretionary bulk-billing for GP services.

At no time during the last federal election campaign was the issue of changing the eligibility criteria for the CSHC raised by the Labor Party. This proposed legislation, introduced in the first Labor Budget, therefore seeks to change these criteria without a mandate from the people.

Your petitioners ask that the Senate:

either

(a) amend the social security and veterans Entitlementment (Commonwealth Seniors Health Card) Bill 2009 to exclude already taxed superannuation monies from the taxable income threshold used to determine eligibility for the commonwealth Seniors Health Card.

or

(b) failing that, reject the Bill in its current form.

by **Senator Boyce** (from 510 citizens)

#### Seniors Health Card

To the Hon President and Members of the Senate in Parliament assembled:

The petition of the undersigned shows:

The Association of Independent Retirees (A.I.R.) Limited is the peak body representing the views of Independent retirees, people who have made and continue to make a significant contribution to our nation's well-being, as employers, taxpayers, volunteers and citizens. They have worked hard and made provision for their comfortable retirement at little or no cost to the government.

This petition concerns the proposed inclusion of previously taxed money from superannuation (undeducted contributions) both income structure and lump sums in the income threshold for the Commonwealth Seniors Health Card (CSHC). It also fails to account for any pre 1983 Superannuation which was previously accounted for.

The Social Security and Veterans Entitlements Amendment (Commonwealth Seniors Health Card) Bill 2009, will have the same effect as lowering the income threshold for CSHC eligibility for those Seniors with superannuation payments as, in an unprecedented move, money from superannuation which has already been either fully or partly taxed, will now for the first-time be included in the adjusted-taxable income to deter-

mine eligibility for the I Health Card. The same for pre 1983.

The major worry for Seniors as they reach the twilight of their lives is the cost of medical and nursing home costs. These costs are enormous and recurring. If old age does not kill them then financial worries will. The DEDUCTION IN FULL of Medical and Nursing home costs from the adjusted taxable income to determine eligibility for the Health Card would appear fair and just.

The current threshold has not been increased since 2001. Not only has it not been indexed since then, but now, if this legislation is passed, it will therefore be effectively lowered for those retired people reliant on their savings, depriving many of concessional pharmaceuticals, utilities allowances, Seniors Bonus, Phone allowance and discretionary bulk billing for GP services.

At no time during the last Federal election campaign was the issue of changing the eligibility criteria for the CSHC raised by the Labour Party. In fact numerous written requests to Labor politicians including the present Prime Minister and Treasurer for their Policy on Independent Retirees and seniors were completely ignored. The proposed legislation, introduced in the first LABOR BUDGET, THEREFORE SEEKS TO CHANGE THESE CRITERIA WITHOUT A MANDATE FROM THE PEOPLE.

Your petitioners ask the Senate to:

(a) amend the Social Security and Veterans Entitlements Amendment (CSHC) Bill 2009 to exclude already taxed superannuation monies from the taxable income threshold to determine eligibility for CSHC. The same to apply for Pre 1983 Superannuation.

(b) The DEDUCTION IN FULL Medical and Nursing Home costs from the adjusted taxable income to determine eligibility for CSHC.

(c) Failing (a) and (b) then reject the Bill in its current form.

by **Senator Boyce** (from 45 citizens)

### **Seniors Health Card**

To the Hon President and Members of the Senate in Parliament assembled:

The petition of the undersigned shows:

The Association of the Independent Retires (AIR) Limited - Brisbane South Branch representing the views of independent retirees, people who have made a significant contribution to our nations well-being, as employers, taxpayers, volunteers and citizens. They have worked hard and made provision for their comfortable retirement at little or no cost to the government.

This petition concerns the proposed inclusion of previously taxed money from superannuation (undeducted contributions) both income structure and lump sums in the threshold for the CSHC. It also fails to account for any pre 1983 Superannuation which was previously accounted for.

The Social Security and Veterans Entitlements Amendment (CSHC Bill 2009) will have the same effect as lowering the income threshold for CSHC eligibility for those Seniors with superannuation payments as, in an unprecedented move, money from superannuation which has already been either fully or partly taxed, will now for the first time be included in the adjustable taxable income to determine eligibility for the CSHC. The same applies for pre 1983 super.

The major worry for Seniors as they reach the twilight of their lives is the costs of medical and nursing home expenses. These costs are heavy and recurring and many more times than in earlier life. THE deduction IN FULL OF MEDICAL AND NURSING HOMES COSTS FROM THE ADJUSTABLE TAXABLE INCOME to determine eligibility for the CSHC would appear fair and just. If old age does not kill them then financial worries will.

The current threshold has not been increased since 2001. Not only has it not been indexed since 2001, but now, if this legislation is passed, it will therefore be effectively lowered for those retired persons reliant on savings, depriving concessional pharmaceuticals, utilities allowances, Seniors Bonus, Phone allowance and discretionary bulk billing for GP services.

At no time during the last Federal election campaign was the issue of changing the eligibility criteria for the CSHC raised by Federal Labour. In fact numerous written requests to Labour Politicians including the present Prime Minister and

Federal Treasury for their parties policy on Independent Retirees, seniors and CSHC were completely ignored. The proposed legislation, if introduced in the first LABOUR BUDGET THEREFORE SEEKS TO CHANGE THESE CRITERIA WITHOUT A MANDATE FROM THE PEOPLE.

Your petitioners ask the Senate

- (a) amend the Social Security and Veterans Entitlement (CSHC) Bill 2009 to exclude already taxed superannuation monies from the taxable income threshold to determine eligibility for the CSHC.
- (b) The same as (a) to apply previous concessions under pre 1983 Superannuation
- (c) THE DEDUCTION IN FULL OF MEDICAL AND NURSING HOME COSTS from the adjustable taxable income to determine eligibility for the CSHC Failing (a) (b) (c) reject the Bill in its current form.

by **Senator Boyce** (from 103 citizens)

Petitions received.

### NOTICES

#### Presentation

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (3.30 pm)—I give notice that, on the next day of sitting, I shall move:

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

Financial Assistance Legislation Amendment Bill 2009

Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009

Tax Laws Amendment (Small Business and General Business Tax Break) Bill 2009

I also table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in *Hansard*.

Leave granted.

*The statements read as follows—*

#### Purpose of the Bill

The purpose of the bill is two-fold. Firstly, it amends the *Federal Financial Relations Act 2009* to increase the general drawing rights authorising debits from the COAG Reform Fund. Secondly, it amends the *Local Government (Financial Assistance) Act 1995* to provide a mechanism for Government to pay additional amounts of the financial assistance grants to local government in the current year.

#### Reasons for Urgency

Other government decisions taken in the 2009-10 Budget will require an increase in the general drawing rights limit for the 2008-09 financial year for the purposes of section 9 of the *Federal Financial Relations Act 2009* so that the necessary payments can be made. To do this, the bill will increase the general drawing rights authorising debits from the COAG Reform Fund for the purposes of making grants of general revenue assistance to the States in the financial year starting 1 July 2008.

The bill also seeks to amend the *Local Government (Financial Assistance) Act 1995* to increase the Commonwealth's flexibility to provide additional funding in a particular year, including by, in effect, bringing forward funding from a future year, should economic or other special circumstances warrant such measures. This will enable the Government to bring forward one quarter of the years payments from 2009-10 to 2008-09, providing immediate funding to assist local governments address the impact of the global economic recession.

(Circulated by authority of the Minister for Infrastructure, Transport, Regional Development and Local Government)

#### Purpose of the Bill

This Bill will:

- Provide a temporary business tax break for Australian businesses using assets in Australia.
- Encourage business investment and economic activity.
- Build confidence in the Australian economy in the face of the global recession.

#### Reasons for Urgency

The measures in the Bill apply from 13 December 2008. For many taxpayers, an enhanced incentive—in the form of a deduction at 30 per cent rather than 10 per cent—is available where they commit to investment before 30 June 2009. A delay in delivery will create uncertainty in respect of business planning decisions, undermining the effectiveness of the measure in stimulating investment, economic activity and confidence.

(Circulated by authority of the Treasurer)

#### **Purpose of the Bill**

This bill gives effect to a number of 2009 Budget measures.

The bill introduces a new \$600 payment for carers, known as carer supplement. Carer supplement will be an ongoing supplement available to a range of carers. A person may receive more than \$600 as his or her payment of carer supplement, if the person cares for more than one person, or receives more than one qualifying payment.

In the 2008-09 financial year, carer supplement will be available to carers who were qualified for a qualifying payment on 12 May 2009. From the 2010-2011 financial year, and on an ongoing basis, carer supplement will be available to carers who are qualified for a qualifying payment on 1 July.

The bill also amends the indexation arrangements for the higher income free area for FTB Part A, the FTB Part B income limit and the baby bonus income limit so that these threshold amounts are not indexed on 1 July of 2009, 2010 and 2011. Indexation will again occur in accordance with the usual rules on 1 July 2012.

#### **Reasons for Urgency**

Passage in the 2009 Winter sittings would enable the first payments of the new carer supplement to be made by 30 June 2009, as intended, and would ensure that the relevant threshold amounts are not indexed on 1 July 2009.

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

That—

- (1) The Senate considers that, in addition to the existing resolutions in relation to the declaration by senators of interests and

gifts, an accountability regime with the following elements should govern the declaration by senators of gifts and interests in the nature of sponsored travel, accommodation and hospitality:

- (a) that a written report of the sponsored travel undertaken by the senator be tabled within 60 days of the conclusion of the travel, detailing:
    - (i) the cost or value of the sponsored travel, and
    - (ii) the purpose of the sponsored travel and information gained;
  - (b) that the written report be published on the Senate website within 14 days of the tabling of the report;
  - (c) that in the event of the sponsored travel not being disclosed and/or a written report not being provided within 60 days of the conclusion of the travel:
    - (i) the senator be required to refund the actual cost of the sponsored travel (or if that cannot be ascertained the reasonable equivalent value thereof) within 30 days into general revenue, and
    - (ii) that the matter be referred to the Privileges Committee to determine whether any contempt was committed in that regard.
- (2) The following matter be referred to the Committee of Senators' Interests, for inquiry and report:
 

The development of resolutions to give effect to an accountability regime for the declaration by senators of gifts and interests in the nature of sponsored travel, accommodation and hospitality, as outlined in paragraph (1).
  - (3) For the purposes of the matter referred in paragraph (2):
    - (a) standing order 22A(2), relating to membership of the committee, be modified to provide that the committee consist of 9 senators, including 2 nominated by any minority groups or independent senators; and

- (b) Senator Xenophon be appointed a member of the committee.

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

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Committee on the import risk analysis for the importation of Cavendish bananas from the Philippines be extended to 22 May 2009.

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

That the time for the presentation of the report of the Economics Committee on the 2009-10 Budget estimates be extended to 25 June 2009.

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

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 22 June 2009, from 12.30 pm, to take evidence on matters arising from consideration of the 2009-10 Budget estimates.

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

That the resolution of the Senate of 25 June 2008, as amended, appointing the Select Committee on the National Broadband Network, be amended as follows:

- (1) That the time for the presentation of the report of the committee be extended to 26 November 2009.
- (2) Omit paragraphs (1) and (2), substitute:
  - (1) (a) the Government's decision to establish a company to build and operate a National Broadband Network (NBN) to:
    - (i) connect 90 per cent of all Australian homes, schools and workplaces with optical fibre to the premise (FTTP) to enable broadband services with speeds of 100 megabits per second,
    - (ii) connect all other premises in Australia with next generation wireless and satellite technologies to deliver broadband speeds of 12

megabits per second or more, and

- (iii) directly support up to 25 000 local jobs every year, on average, over the 8 year life of the project; and
- (b) the implications of the NBN for consumers and taxpayers in terms of:
  - (i) service availability, choice and costs,
  - (ii) competition in telecommunications and broadband services, and
  - (iii) likely consequences for national productivity, investment, economic growth, cost of living and social capital.
- (2) That the committee's investigation include, but not be limited to:
  - (a) any economic and cost/benefit analysis underpinning the NBN;
  - (b) the ownership, governance and operating arrangements of the NBN company and any NBN related entities;
  - (c) any use of bonds to fund the NBN;
  - (d) any regulations or legislation pertaining to the NBN;
  - (e) the availability, price, level of innovation and service characteristics of broadband products presently available, the extent to which those services are delivered by established and emerging providers, and the prospects for future improvements in broadband infrastructure and services (including through private investment);
  - (f) the effects of the NBN on the availability, price, choice, level of innovation and service characteristics of broadband products in metropolitan, outer-metropolitan, semi-rural and rural and regional areas and towns;
  - (g) the extent of demand for currently available broadband services, the factors influencing consumer choice



for broadband products and the effect on demand if the Government's FTTP proposal proceeds;

- (h) any technical, economic, commercial, regulatory, social or other barriers that may impede attaining the Government's stated goal for broadband availability and performance in the specified time frame;
- (i) the appropriate public policy goals for communications in Australia and the nature of any necessary regulatory settings to continue to develop competitive market conditions, improved services, lower prices and innovation;
- (j) the role of government and its relationship with the private sector and existing private investment in the telecommunications sector;
- (k) the effect of the NBN on the delivery of Universal Service Obligations services; and
- (l) whether, and if so to what extent, the former Government's OPEL initiative would have assisted making higher speed and more affordable broadband services available.

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

That, as recommended in the *Bringing them home* report tabled in the Senate on 26 May 1997, the Senate recognises that 26 May is National Sorry Day, a day of remembrance each year to commemorate the history of forcible removal of Aboriginal and Torres Strait Islander children and its effects on individuals, families and communities.

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

That the following bill be introduced: A Bill for an Act to provide for the appointment of a National Security Legislation Monitor, and for related purposes. *National Security Legislation Monitor Bill 2009*.

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

That Part 3 (clauses 3.1 to 3.3) of Determination 2009/04: Remuneration and Allowances for Holders of Public Office; and Members of Parliament – Entitlements and Office Holders Additional Salary, made pursuant to subsections 7(1), 7(3) and 7(4) of the *Remuneration Tribunal Act 1973*, be disapproved. [F2009L01579]

14 sitting days remain, including today, to resolve the motion. To be effective, the motion of disapproval must be agreed to within 15 sitting days after the date on which the instrument was tabled (12 May 2009). (which is 18 August 2009)

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

- (1) That on the introduction of any of the following bills into the House of Representatives or any other bill that forms part of the Government's Carbon Pollution Reduction Scheme, certain provisions of these bills be referred immediately to the Economics Legislation Committee for inquiry and report by 15 June 2009, including, but not limited to the following:
  - (a) Australian Climate Change Regulatory Authority Bill 2009;
  - (b) Carbon Pollution Reduction Scheme Bill 2009;
  - (c) Carbon Pollution Reduction Scheme (Charges – Customs) Bill 2009;
  - (d) Carbon Pollution Reduction Scheme (Charges – Excise) Bill 2009;
  - (e) Carbon Pollution Reduction Scheme (Charges – General) Bill 2009;
  - (f) Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009;
  - (g) Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009;
  - (h) Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009;
  - (i) Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009;

- (j) Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009; and
  - (k) Carbon Pollution Reduction Scheme (Household Assistance) Bill 2009.
- (2) That the inquiry considers only those elements of these bills which have not already been considered by the Economics Committee's report of 16 April 2009.

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

That—

- (a) the relationship between the Central Land Council and Centrecorp Aboriginal Investment Corporation Pty Ltd ('Centrecorp') be referred to the Finance and Public Administration References Committee for inquiry and report by 11 August 2009;
- (b) the committee must inquire into and report upon:
  - (i) the financial and management relationship between the Central Land Council and Centrecorp, including (without limitation) any equitable relationship between those entities,
  - (ii) whether taxpayers' funds have been paid or transferred to Centrecorp and how those monies have been treated in the accounts of the Central Land Council and Centrecorp,
  - (iii) the nature and extent of Centrecorp's business activities,
  - (iv) Centrecorp's sources of revenue,
  - (v) the beneficiaries of Centrecorp business and other activities and any additional revenue it receives,
  - (vi) the nature and extent of Centrecorp disbursements to any charitable trusts or like entities,
  - (vii) the extent to which any Centrecorp beneficiaries and the Central Land Council are informed of Centrecorp's business activities,
  - (viii) how Aboriginal Australians living in the Central Australia region benefit

from Centrecorp's business and charitable operations, and

- (ix) all other matters considered necessary by the committee; and
- (c) the committee must hear evidence inter alia from:
- (i) the Central Land Council,
  - (ii) the Auditor-General, and
  - (iii) Centrecorp.

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

That—

- (1) To ensure appropriate consideration of budget-related bills by Senate committees without undue delay, the provisions of all bills introduced into the Parliament after 12 May 2009 and before 5 June 2009 that are proposed to commence prior to 11 August 2009 are, contingent upon their introduction into the Parliament, referred to committees for inquiry and report by 16 June 2009.
- (2) The committee to which each bill is referred shall be determined in accordance with the order of 13 February 2008 allocating departments and agencies to standing committees.
- (3) This order may be superseded in relation to any bill by:
  - (a) a subsequent order of the Senate, including the adoption of a recommendation of the Selection of Bills Committee that the bill not be referred or be referred on different terms; and
  - (b) a recommendation of the Selection of Bills Committee reported to the President when the Senate is not sitting that the bill not be referred or be referred on different terms.
- (4) A committee to which a bill has been referred may determine that there are no substantive matters that require examination and may report that fact to the Senate.
- (5) This order does not apply in relation to bills which contain no provisions other

than provisions appropriating revenue or moneys (appropriation bills).

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

That the Senate—

(a) recognises:

- (i) the need for cultural change within some sporting organisations relating to problems including violence and attitudes towards women, and
- (ii) the high regard in which professional sportspeople are held in this country, and the role model status that they hold for young Australians; and

(b) calls on the Government to:

- (i) hold a roundtable of representatives from all sporting codes to discuss best practice in managing behaviour, and the possibility of establishing a universal code of conduct in professional sport, and
- (ii) invest in educational programs to promote more positive behaviours and attitudes.

**Senators Bob Brown and Milne** to move on the next day of sitting:

That the Senate calls on the Tasmanian Government not to disband the Department of Environment, Parks, Heritage and the Arts, which was originally established by the Bethune Liberal Government in 1972.

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

That the following bill be introduced: A Bill for an Act to provide for environmentally sustainable use of resources and best practice in waste management by establishing a national beverage container deposit and recovery scheme, and for related purposes. *Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009*.

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

That the Senate—

(a) notes:

- (i) the efforts of the Australian and Japanese governments to advance the nuclear disarmament and non-proliferation agenda through the formation of the International Commission on Nuclear Non-proliferation and Disarmament,
- (ii) that the third session of the Preparatory Committee for the 2010 Non-Proliferation Treaty Review Conference (the Review Conference) is currently taking place in New York,
- (iii) the participation of numerous parliamentarians in the meeting, and the increased engagement of parliamentarians in nuclear non-proliferation and disarmament initiatives, and
- (iv) Australia's statements that currently it is experiencing the highest level of political will on nuclear disarmament and non-proliferation in decades, and that all states have responsibilities to seize the moment to strengthen the implementation of the Treaty on the Non-Proliferation of Nuclear Weapons (the Treaty); and

- (b) calls on the government to take every effort to ensure that the Preparatory Committee forwards consensus recommendations to the Review Conference, to provide sufficient guidance for its substantive work, and to signal the commitment of all states that are parties to the Treaty.

## COMMITTEES

### Community Affairs Committee

#### Extension of Time

**Senator O'BRIEN** (Tasmania) (3.33 pm)—At the request of the Chair of the Senate Standing Committee on Community Affairs, Senator Moore, I move:

That the time for the presentation of the report of the Community Affairs Committee on compliance audits on Medicare benefits be extended to 10 June 2009.

Question agreed to.

**Economics Committee****Extension of Time**

**Senator O'BRIEN** (Tasmania) (3.33 pm)—At the request of the Chair of the Senate Standing Committee on Economics, Senator Hurley, I move:

That the time for the presentation of the report of the Economics Committee on foreign investment in Australia be extended to 17 July 2009.

Question agreed to.

**Treaties Committee****Meeting**

**Senator O'BRIEN** (Tasmania) (3.33 pm)—At the request of the Deputy Chair of the Joint Standing Committee on Treaties, Senator McGauran, I move:

That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Thursday, 14 May 2009, from 9.30 am.

Question agreed to.

**Climate Policy Committee****Extension of Time**

**Senator O'BRIEN** (Tasmania) (3.33 pm)—At the request of the Chair of the Senate Select Committee on Climate Policy, Senator Colbeck, I move:

That the time for the presentation of the report of the Select Committee on Climate Policy be extended to 15 June 2009.

Question agreed to.

**CONDOLENCES****Miss Anne Lynch**

**Senator O'BRIEN** (Tasmania) (3.33 pm)—At the request of the President of the Senate, Senator Hogg, I move:

That the Senate records its deep regret at the death, on 24 April 2009, of Miss Anne Lynch, former Deputy Clerk of the Senate, and places on record its appreciation of her long and meritorious public service and tenders its profound sympathy to her family in their bereavement.

Question agreed to.

**Mr Laurie Short**

**Senator HUTCHINS** (New South Wales) (3.34 pm)—I move:

That the Senate—

(a) notes:

(i) the passing of the esteemed union leader and Australian Labor Party (ALP) hero, Mr Laurie Short, and

(ii) the international regard in which he was held as a prominent member of the Australian labour movement;

(b) acknowledges his substantial contribution to fighting the communist threat within the labour movement and the ALP;

(c) recognises that he made this contribution at a time when opposing the communists meant risking real physical harm, which he was subjected to from time to time; and

(d) passes its condolences to his daughter, Susanna Short and her family.

Question agreed to.

**BROADBAND****Order**

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (3.34 pm)—At the request of the Leader of the Opposition in the Senate, Senator Minchin, I move:

(1) That the Senate notes that the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) is in contempt of the Senate for his failure to comply with a Senate order of 4 February 2009 for the production of documents relating to the National Broadband Network (NBN) tender process.

(2) That there be laid on the table by 6.50 pm on Wednesday, 13 May 2009:

(a) the Australian Competition and Consumer Commission's formal report on the NBN proposals to the NBN Panel of Experts; and

(b) the final report provided to the Government from the NBN Panel of Experts on submissions to the NBN process.

- (3) That if the Government continues to refuse to comply with the orders of the Senate for the provision of these documents, consideration of any bill relating to the Government's 'new national broadband network' be postponed and made an order of the day for the next day of sitting after the documents described in (2)(a) and (2)(b) are laid on the table.

Question agreed to.

### SRI LANKA

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (3.35 pm)—I move:

That the Senate, in regard to the massacre of civilians, including hundreds of children in the Tamil homelands of northern Sri Lanka, calls on the Government to take decisive action commensurate with the need to immediately halt this unnecessary bloodshed.

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (3.35 pm)—by leave—Labor cannot support the motion in its current form. Labor would like to place on record its objection to dealing with complex international matters, such as the one we have before us, by means of formal motions. Such motions are blunt instruments. They force parties into black-and-white choices that support or oppose. They do not lend themselves to the nuances which are so necessary in this area of policy. Furthermore, they are too easily misinterpreted by some audiences as statements of policy by the national government.

Labor are happy to work with the minor parties on motions of this nature, but we will not be pressured into supporting motions in the Senate unless we are completely satisfied with their content.

According to recent reports, hundreds of civilians have been killed within the conflict zone as a result of heavy fighting between Sri Lankan government forces and the LTTE. These deaths are a tragedy. It is not clear which side was responsible, but it is clear that further tragic loss of civilian lives is inevitable unless both sides cease hostilities to allow civilians to leave the conflict zone. The Minister for Foreign Affairs outlined in a ministerial statement yesterday that Australia has consistently stated:

The safety and protection of civilians must be the absolute priority for all sides fighting in northern Sri Lanka.

Australia continues to encourage the Sri Lankan government to put forward credible political reforms to engage Tamil citizens and other minorities without delay. The long-term security and prosperity of Sri Lanka will only be achieved through a political solution or settlement that meets the legitimate aspirations of all Sri Lankans. There is no military solution to the conflict in Sri Lanka. Australia will continue to work with the United Nations and others in the international community to protect and assist civilians in northern Sri Lanka.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (3.37 pm)—by leave—I hear what the government said, but it is the important role of all of us as parliamentarians to take note of human tragedies like that which is unfolding in northern Sri Lanka at the moment. This involves the massacre—there is no other word that is appropriate to it—of hundreds of innocent civilians, including children.

**Senator Hutchins**—By the Tamils.

**Senator BOB BROWN**—If the honourable senator wants to interject, I will give him leave to make his own statement. It is important for us as part of global civil society to take very, very strong action. There

have been acts of great violence and cruelty on both sides, but there is no doubt that, whatever has befallen it in the past, the Sri Lankan government has the upper hand at the moment. There is an enclave—described yesterday on ABC news as being less than the size of Central Park in New York—with thousands of civilians caught in it which is being bombarded. It is not beyond the Sri Lankan government under those circumstances to have peacekeepers brought in and to have an end put to the bombs lobbing onto families just like ours in dreadful circumstances. This requires more than just statements. It requires stronger action by the global community to have an end put to that disastrous situation.

Question agreed to.

**FAIR WORK AMENDMENT (PAID PARENTAL LEAVE) BILL 2009**

**First Reading**

**Senator HANSON-YOUNG** (South Australia) (3.40 pm)—I move:

That the following bill be introduced:

A Bill for an Act to amend the *Fair Work Act 2009* to guarantee 26 weeks government-funded paid parental leave, and for related purposes.

Question agreed to.

**Senator HANSON-YOUNG** (South Australia) (3.40 pm)—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 HANSON-YOUNG** (South Australia) (3.41 pm)—I present 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—*

**Fair Work Amendment (Paid Parental Leave) Bill 2009**

The Fair Work Amendment (Paid Parental Leave) Bill 2009 amends the Fair Work Act 2009 and builds upon the existing provisions for unpaid parental leave, to provide for a system of paid parental leave that will assist all eligible Australian parents who take time off from their employment upon the birth or adoption of a child.

For more than thirty years, Australian women have been calling for action on paid parental leave, and despite a commitment in last night's budget for the introduction of an 18 week scheme, the fact that it will be delayed until 2011 suggests that the Government is not really serious about legislating for this basic workplace entitlement.

The Government's continued use of the global financial crisis as an excuse to delay the introduction of paid parental leave is starting to wear thin on the Australian community.

Paid parental leave is, and should be, viewed as an important pillar of childhood development, and last night's budget proved the opportune time to immediately invest in, and stimulate our economy, and putting money in the pockets of parents is the obvious way to go.

Research conducted by the Australia Institute last month suggests that "the spending and living patterns of young families combine to create a strong economic case for introducing paid parental leave," again highlighting, the obvious benefits such a scheme would have on the economy.

Paid parental leave has been long standing Green policy, and legislative action on this issue has been long overdue. And while it is often said that Australia is only one of two OECD countries without a universal scheme of paid parental leave, we must remember that more than 50% of American women are eligible for some form of government-funded paid parental leave, while more than two-thirds of Australian working women continue to miss out.

When you consider that Sweden offer 47 weeks, New Zealand offer 28 weeks, Finland offer 32

weeks, and even Spain offer 27 weeks, the fact that Australia is still behind the eight ball on these basic supports for working families is concerning.

Paid parental leave must be seen as a workplace entitlement, and this includes ensuring that any payment must be treated as a wage for the purposes of taxation, superannuation and other related laws and agreements.

The fact that the unpaid parental leave provisions are included in the Fair Work Act, suggests that paid parental leave is an obvious inclusion, and I am concerned that the Government's proposed scheme will not comprehensively address the significance of workplace attachment, for women in particular.

This legislation therefore, amends the Fair Work Act to provide for 26 weeks Government-funded paid leave at or around the birth or adoption of a child for all eligible Australian parents, at the level of the minimum wage, or if they earn less than this (e.g. part-time or casual workers), at their average wage, with a guaranteed income and a right to return to work at the end of it.

What the Bill does:

Essentially, this Bill provides paid leave for all eligible parents—mothers and fathers, adoptive parents, parents in same-sex relationships, and those working in both the public and private sectors, and the self employed—who have worked for their current employer for a minimum of 12 months.

This Bill requires that six weeks leave is quarantined solely for the birth mother as birth related leave, with the remaining 20 weeks may be split between the two parents at their discretion. Eligible adoptive parents can share the 26 weeks.

This Bill also ensures that if an eligible employee takes a period of paid parental leave, then neither the employee or the employee's spouse or de facto partner is entitled to the Baby Bonus or any other paid maternity, paternity, or parental leave payment under any other Commonwealth, state or territory law.

Paid parental leave is not intended to discriminate against at-home parents; rather, it is to facilitate workplace attachment, as an entitlement for employees.

The importance of recognising paid parental leave as a workplace entitlement is essential, and this Bill will ensure that just like long service leave or sick leave, employees will continue to accumulate superannuation payments.

Cost to the Government:

It is estimated that the total net cost of the Paid Parental Leave scheme contained in this Bill is approximately \$740 million per annum for Government and approximately \$90 million per annum for business, making a net cost of approximately \$830 million per annum.

Community support for Parental Leave:

Support for parental leave has been gaining momentum for years, and while Parliamentary action on this issue is long overdue, we must recognise the tireless efforts of another South Australian, who introduced the first paid maternity leave Bill back in 2002, former Senator Natasha Stott Despoja. The National Foundation for Australian Women, the YWCA, the Commission for Children and Young People, the World Health Organization, the Public Health Association, the Australian Breastfeeding Association, Unions NSW, the National Tertiary Education Union, the Community and Public Sector Union, and the Liquor, Hospitality and Miscellaneous Union, have all advocated for a 26-week, government-funded paid parental leave scheme to be introduced in Australia.

Given the World Health Organization, the Australian Breastfeeding Association and the Public Health Association all advocate 26-weeks paid leave for mothers promoting and supporting exclusive breastfeeding for six months, again highlights the community and sector support for such a scheme.

Last month Auspoll released research—commissioned by the National Foundation for Australian Women, Unions NSW, Commission for Children and Young People, Catalyst Australia and the YWCA Australia—surveying 1,703 respondents aged between 18 and 64 years on their views on paid parental leave and tax.

The research showed that four out of five Australians—82 per cent—would prefer the Federal Budget to fund parental leave rather than tax breaks for high income earners. While Minister

Macklin announced the Government's intention to introduce an 18 month paid parental leave scheme, the fact that this scheme will not be rolled out until January 2011, after the next election, will not bode well with the electorate.

**Paid parental leave—it's affordable:**

According to a recent report commissioned by the Australia Institute, entitled *Long overdue: The macroeconomic benefits of paid parental leave*, the introduction of a paid parental leave scheme in Australia would pay for itself, stimulate the economy and create 9,000 new jobs.

Support for parents in their efforts to care for their newborn children is an essential component of any Government policy that aims to promote the health and well-being of infants, and invest in the long-term health and educational outcomes of children.

This legislation will ensure that paid parental leave is finally viewed as a workplace entitlement in the true sense of the word. It is time to stop punishing Australian families for having children, and start valuing the work of mothers and fathers and appreciate the economic benefits of introducing a paid parental leave scheme, not only for the economy, but also for the community.

We know we can afford it, we know it's beneficial for the economy, and we know the majority of Australians support it.

January 2011 is another eighteen months away, and I urge the Government to look closely at the Greens fully-costed model for 26-weeks paid parental leave to get the ball rolling on this basic workplace entitlement.

I commend this Bill to the Senate.

**Senator HANSON-YOUNG**—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

#### **RADIOACTIVE WASTE**

**Senator LUDLAM** (Western Australia) (3.41 pm)—I move:

That the Senate—

- (a) recalls the Government's election promise and policy platform to repeal the *Commonwealth Radioactive Waste Management Act 2005*;

(b) notes:

- (i) the statement given by the Minister for Resources and Energy (Mr Ferguson) on ABC Radio, Darwin, on 30 April 2009 which indicated that the Government will keep its election promise, but refused to confirm when this will occur, and
- (ii) that the Minister indicated that scientific reports on the assessment of potential sites have almost been completed and that the Government will be making a recommendation on an appropriate site, but has not yet finalised its policy on community consultation; and
- (c) calls on the Government to establish a process for identifying suitable sites that is scientific, transparent, accountable, fair and allows access to appeal mechanisms, ensures full community consultation in radioactive waste decision-making processes, and for international best practice scientific processes, including transportation and storage, to underpin Australia's radioactive waste management.

Question put.

The Senate divided. [3.46 pm]

(The Deputy President—Senator the Hon. AB Ferguson)

Ayes.....	6
Noes.....	<u>36</u>
Majority.....	<u>30</u>

#### **AYES**

Brown, B.J.	Hanson-Young, S.C.
Ludlam, S.	Milne, C.
Siewert, R. *	Xenophon, N.

#### **NOES**

Adams, J.	Arbib, M.V.
Back, C.J.	Bernardi, C.
Bilyk, C.L.	Brown, C.L.
Cameron, D.N.	Cash, M.C.
Collins, J.	Cormann, M.H.P.
Crossin, P.M.	Eggleston, A.
Farrell, D.E.	Feeney, D.
Ferguson, A.B.	Fielding, S.
Fifield, M.P.	Fisher, M.J.



Forshaw, M.G.	Furner, M.L.
Hurley, A.	Hutchins, S.P.
Joyce, B.	Kroger, H.
Ludwig, J.W.	Lundy, K.A.
Marshall, G.	McGauran, J.J.J.
Moore, C.	Nash, F.
O'Brien, K.W.K.	Parry, S. *
Ryan, S.M.	Sterle, G.
Troeth, J.M.	Williams, J.R.

\* denotes teller

Question negatived.

### NATIONAL VOLUNTEER WEEK

**Senator SIEWERT** (Western Australia)  
(3.49 pm)—I move:

That the Senate—

- (a) notes that the week beginning 11 May 2009 is National Volunteer Week;
- (b) recognises that more than 5.4 million Australian volunteers contribute more than 700 million hours of their time to support our community in a wide range of areas from aged care, health, emergency services, education and sport;
- (c) acknowledges that community groups, charities and services would not be able to deliver their services without volunteers;
- (d) commends volunteers for their tireless contributions to our community; and
- (e) acknowledges the enormous role that volunteers play in civil society.

Question agreed to.

### COMMITTEES

#### Education, Employment and Workplace Relations Committee

##### Reference

**Senator SIEWERT** (Western Australia)  
(3.49 pm)—I, and also on behalf of Senator Fifield, move:

That the following matters be referred to the Education, Employment and Workplace Relations Committee for inquiry and report by 25 June 2009:

- (a) the conduct of the 2009 tendering process by the Department of Education, Employment and Workplace Relations to

award Employment Services contracts, with particular attention to:

- (i) the design on the tender, including the weighting given to past performance and the weighting given to the 'value for money' delivered by previous and new service providers,
  - (ii) evaluation of the tenders submitted against the selection criteria, including the relationship between recent service performance evaluations in various existing programs (such as provider star ratings), selection criteria and tendering outcomes, and
  - (iii) the extent to which the recommendations of the 2002 Productivity Commission report into employment services have been implemented;
- (b) the level of change of service providers and proportion of job seekers required to change providers, and the impacts of this disruption in communities with high levels of unemployment or facing significant increases in unemployment;
  - (c) any differences between the recommendations of the Tender Assessment Panel and the announcement by the Minister for Employment Participation of successful tenders on 2 April;
  - (d) the transaction costs of this level of provider turnover, the time taken to establish and 'bed-down' new employment services, and the likely impacts of this disruption on both new and existing clients seeking support during a period of rapidly rising unemployment;
  - (e) communication by the department to successful and unsuccessful tenderers, the communications protocol employed during the probity period, and referrals to employment services by Centrelink during the transition period;
  - (f) the extent to which the Government has kept its promise that Personal Support Program, Job Placement Employment and Training and Community Work Coordinator providers would not be disadvantaged in the process, and the number of smaller

- ‘specialist’ employment service providers delivering more client-focused services still supported by the Employment Services program;
- (g) the particular impact on Indigenous Employment Services providers and Indigenous-focused Employment Services providers;
  - (h) the Employment Services Model, including whether it is sustainable in a climate of low employment growth and rising unemployment, and whether there is capacity to revise it in the face of changed economic circumstances; and
  - (i) recommendations for the best way to maintain an appropriate level of continuity of service and ongoing sector viability while at the same time ensuring service quality and accountability and maximising the ancillary benefits for social inclusion through connection and integration with other services.

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (3.50 pm)—by leave—The government believes that Job Services Australia is the right employment service model for these difficult economic times. Whether a job seeker is recently retrenched or is highly disadvantaged and long-term unemployed, the new services are designed to provide personalised assistance, better links to training and greater opportunities for relevant work experience. Improving the skills of job seekers will ensure our economy remains competitive beyond the economic downturn.

It was critically important to replace the out-of-date, flawed Job Network. The people who deliver Job Network told us it was bogged down in red tape and unable to assist out-of-work Australians—and so, too, did employers and job seeker advocates. These same jobs organisations helped the Rudd government design Job Services Australia. The government undertook an unprecedented consultation process to design Job Services

Australia, and I remind those who are in the chamber that the government consulted industry on the exposure draft of the tender, including the tender criteria. We understand that providers who tendered but were not successful are disappointed. Because of this, we think this motion is nothing more than a political stunt. Some of those who are initiating this inquiry have been repeatedly offered briefings on the tender outcomes but they have not taken up such an offer, which does suggest a lack of any real interest in this process.

The employment services tender is a process which has been signed off by an independent probity auditor as representing a high benchmark in the conduct of Commonwealth procurement. The government has already established an industry reference group to provide the government with advice about the conduct of future purchasing processes. Job Network providers are providing help to the unemployed as best they can under this scheme and Job Services Australia providers are ramping up for the start of the new services from 1 July.

Question agreed to.

#### **MATTERS OF PUBLIC IMPORTANCE**

##### **Economy**

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

The Rudd Labor government’s record level of debt.

I call upon those senators who approve of the proposed discussion to rise in their places.

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

**The DEPUTY PRESIDENT**—I understand that informal arrangements have been

made to allocate specific times to each of the speakers in today's debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

**Senator FIFIELD** (Victoria) (3.53 pm)—The Treasurer, Mr Swan, promised that this would be a very Labor budget. Mr Swan was right. He was as good as his word. This budget is indeed built on two great and enduring Labor principles—debt and lies. I think we all recall the great indignation which was provoked before the last election whenever the coalition suggested that there was a continuity between Rudd Labor and old Labor. But Mr Rudd said no, and we were told in television advertisements that Mr Rudd had often been accused of being an economic conservative. It was, he said, a badge he wore with pride. That is a paraphrase, and I am always very careful not to verbal Mr Rudd, so I went back and I got the transcript of the TV advertisement. As I said before, what the TV transcript, the script, said was:

A number of people have described me as an economic conservative.

But Mr Rudd was actually very careful. He was very specific. He wanted to narrow down and be very precise about what that definition of being an economic conservative actually meant. What he went on to say in that ad was:

When it comes to public finance, it's a badge I wear with pride.

He specifically defined economic conservatism in terms of public finance. All I can say to that is, 'Some mothers do have 'em'—that's for sure.

And how the coalition were at times ridiculed at the last election for suggesting that Mr Rudd and Mr Swan were not what they seemed! We were accused of running a scare campaign. The big-spending, debt-bingeing Labor Party was supposedly a mythical

beast, for this was Rudd Labor, almost indistinguishable from Howard-Costello Liberals! Only a mother could tell them apart! Australian politics, the electorate was led to believe, had entered some post-ideological budget nirvana. But, on this side of the chamber, we said no. On this side of the chamber we maintained that the best predictor of future behaviour was past behaviour, something any first-year psychology student will tell you.

What do I mean about the best predictor of future behaviour being past behaviour? Let me refresh your memory, Mr Deputy President. In 1996 Labor bequeathed to the Australian people a \$96 billion debt. How those look like the good old days today—only \$96 billion! But, back then, we did not know that Labor could do worse. They exceeded all expectations. That situation in 1996, of course, was not of our making, but we took on the responsibility to fix it. Over the next 10 years we paid that debt down with no help from the Labor Party, who opposed each and every measure we put forward to bring the budget back into balance. In 2007 we held the very unfashionable view at that time that Labor would revert to form. We still held this view when the 2008 budget was delivered, a budget which forecast a surplus. I read from last year's budget speech, where Mr Swan said:

We are budgeting for a surplus of \$21.7 billion in 2008-09, 1.8 per cent of GDP, the largest budget surplus as a share of GDP in nearly a decade.

This honours and exceeds the 1.5 per cent target we set in January ...

I do not need to say any more on that particular quote. It speaks for itself.

We did not believe Labor then. We did not believe them, because we know them all too well. We know that Labor have only ever viewed balanced budgets and budget surpluses as some kind of a political strategy at

best—a political virtue but never a policy virtue. Labor always have and always will see the true sign of economic virtue as debt. The greater the debt, the greater the virtue. Does anyone who thinks to themselves, ‘Look, I am really committed to economic responsibility; I am committed to balanced budgets,’ also think, ‘I should go and join the ALP to pursue those objectives’? I don’t think so. And I do not think any senator opposite would have thought to themselves, ‘I have got to join the ALP; I have got to run for preselection because I want to champion fiscal responsibility and surplus budgets.’ That just does not happen. That is why, in November 2007, we knew that Labor would never, ever deliver a surplus budget. Last night’s budget confirmed that this is the most reckless, ill-disciplined government in Australian history. What a performance by Mr Swan last night. He was lacking in all courage. He could not bring himself to utter the budget bottom line—the \$58 billion budget deficit.

Can you imagine the state that this budget would be in had the coalition not handed the ALP a \$22 billion surplus? Can you imagine the state of the Commonwealth finances had this government not been bequeathed no net government debt by the coalition? But somehow, according to Mr Swan, his deficit and his debt are the fault of the previous government—hello? When we clocked off, the budget was in surplus and there was no net government debt. Eighteen months later there is a \$58 billion budget deficit and a debt heading towards \$188 billion. Clearly, no honest observer believes that the current budgetary situation is the fault of the coalition. In fact, if not for our responsible management, it would have been far worse.

The other defence Labor cite for the budget situation is that falling revenues are due to a slowing economy. No-one would contend for a moment that a slower economy

does not impact revenues. But Labor would have us believe that this is the full story of the budget situation. It is rubbish. Two-thirds of the debt owed by taxpayers in 2012-13 will be due to spending decisions taken by Labor over the last 18 months. Labor have announced measures since November 2007 totalling \$124 billion. That is an average of \$225 million per day. Labor pretend that the trashing of the budget is all due to the global recession and nothing to do with Mr Rudd and Mr Swan; they just stumbled across the scene. It is Forrest Gump meets Chauncey Gardiner—just a pair of disengaged observers. But Labor, as we know, have made a challenging situation far worse. They have lost control of the nation’s finances; there is record spending, a record deficit and rising unemployment. Labor have made the task of recovery that much harder. Labor will, we know, inflict unnecessary pain on Australians who have to pay off that debt.

If you want to know how it could have been different, well, that would have required us to have managed the economy over the last 18 months. If those opposite want to know how we would have conducted ourselves, they only need look back over the preceding 11½ years. But it is always the Australian people who have to pay and who have to foot the bill. It took the coalition the best part of a decade to repay Labor’s \$96 billion debt. It will probably take 20 years for us to repay that debt again. One thing I know for sure is that Labor will never deliver a surplus budget; they will never repay this debt. I see a time after the next election when a Liberal Treasurer will again go to the dispatch box and repeat the words of Mr Costello in 1996 and say, ‘Although this problem was not of our creation, we will fix it.’

**Senator ARBIB** (New South Wales—Parliamentary Secretary for Government Service Delivery) (4.03 pm)—Another day,

another scare campaign. We are getting used to it. We are getting used to it in the Senate chamber, and the Australian public are certainly getting used to it. In 2001, it was asylum seekers. In 2004, it was the scare campaign on interest rates. Last election, it was unions, and unions are getting a bit of a run today. Yesterday in this chamber, the coalition were back onto asylum seekers and today they are back running a scare campaign on debts and deficits. I will give the coalition this: they get an A for effort. They get an F for consistency and an F for substance because they are running a dishonest scare campaign on debt. It is not based on fact; it is based on dishonesty. It is a scare campaign that is being revealed today but it is also going to be revealed tomorrow night in the other place when the Leader of the Opposition stands up and has to put forward his own policy, his own position on a deficit—and we are all waiting for it.

**Senator Chris Evans**—He is having a surplus.

**Senator ARBIB**—I will take the interjection. He is having a surplus, so we heard this morning. We all know that this was the most difficult budget to frame since the Great Depression. The budget deficit was caused primarily by our revenue almost going off a cliff, the result of the global recession and the ending of the mining boom. For weeks now I have been asking coalition MPs to explain how they would meet this revenue shortfall, how they would meet this collapse. A number of times, coalition MPs have put forward the figure that the coalition debt would only be \$20 billion less than our borrowing. Tomorrow night, they will have to answer that charge. The evidence so far is that they will struggle. They will struggle primarily because they are confused. They cannot even get their own facts straight. Let us go back a week, to 7 May. The shadow minister for small business, independent con-

tractors, tourism and the arts was on Sky News' *AM Agenda* and was asked what level of debt he thought was acceptable. This is what he said:

I mean this false notion that Labor puts forward that under the Coalition, debt would be only \$20 billion less is just absolutely farcical.

Imagine my surprise this morning when I turned on *Sunrise* and there was his boss, shadow Treasurer Joe Hockey, and this was his response to a question from David Koch:

David Koch: How much debt would you support and how big a deficit would you support?

Joe Hockey, the member for North Sydney: Our deficit would be smaller. I will give you a figure as a starting point—at least \$25 billion smaller.

What was absolutely farcical last week is now coalition policy this week. He has admitted it. Well, he has sort of admitted it because, straight after the shadow Treasurer, the Leader of the Opposition was asked a very similar question—about 20 minutes later. Let us hear what he said:

Malcolm Turnbull: The reality is ... if we had been in government, the debt would be much lower.

... ..

David Speers: But you can't say why.

Malcolm Turnbull: Well, no, you can't. I mean, you could sit down and work out a model but, as we've seen with each of these financial models, each assumption becomes fairly subjective.

That was the Leader of the Opposition this morning, 20 minutes after the shadow Treasurer.

As I have said, the truth is coming like a freight train. The global recession has meant that companies are just not making the profits that they used to make. Therefore they are not paying the same tax that they used to. There is currently a \$23 billion write-down in 2008-09. It is the largest one-year downgrade revision in government receipts since

the Depression. In 2009-10, it is a \$49 billion write-down in tax receipts. The total write-down over four years is \$210 billion. These downgrades have made a budget deficit in Australia inevitable. They are also responsible for two-thirds of the deterioration in our budget position since the last budget was delivered.

So tomorrow night these are the questions for the member for Wentworth: what would the deficit be if the Liberals were in government? If they claim they would have a smaller deficit than the government, what services will they cut? What programs will they cut? What jobs will they cut? If they are not going to cut, what taxes will they raise?

*Senator Williams interjecting—*

**Senator ARBIB**—I will take the interjection from Senator Williams. They are already floating—right now in coalition policy—that they are going to get rid of the insulation program that the government put in place with its stimulus package. It is a very, very interesting move, Senator Williams. The program not only provides effects in reducing carbon but saves families about \$200 a year. You said earlier, ‘What does this do for country families?’ It does a lot: it saves them \$200 a year in heating costs. It might not be much to you, but it is certainly a lot to these families. You have lost touch, Senator Williams; there is no doubt about it. You have been sitting on that side of the chamber too long and you have certainly lost touch.

So these are the questions that the Leader of the Opposition is going to have to answer tomorrow, and we all wait, because after tomorrow the scare campaign will be totally revealed. We all know, as Senator Williams has revealed today, that on that side of the chamber they are completely out of touch.

**Senator Fifield**—It’s so scary Wayne couldn’t even mention the figure.

**Senator ARBIB**—Just wait one second, Senator Fifield; I am coming to you. I do not need to remind anybody in this chamber of how bad the economic downturn is. Senator Fifield barely mentioned the global recession in his 10-minute speech; he just glossed over it. It is really not a big issue for him. During downturns like this, governments must act decisively and step in to stimulate the economy, support jobs and small business and take the burden off families. That is the reason why governments build up large surpluses in the good times: to prepare for the bad, difficult times. Those times have arrived.

It is not just Labor politicians saying we need to stimulate the economy. Economists globally, including some of the most conservative economists and economic institutions globally, are supporting our policy. The IMF, the World Bank and the OECD all support a stimulus package. The thing about stimulus packages is that you must act early and quickly. Senator Fifield agrees with this. Senator Fifield and I do a Monday morning spot on Sky News’s *Agenda*, and it is always very enjoyable. I enjoy his company, I have to say. I went back to one of the transcripts today.

**Senator Chris Evans**—They call that Stockholm syndrome!

**Senator ARBIB**—That may be the case, Senator Evans, but he is a nice bloke. He is a bit misguided, but he is a very nice man. On 13 October last year, Senator Fifield made a comment. People seem to forget how bad it was in October last year: the global economy was going over a cliff, the banks were on the verge of folding and 30 banks globally had either collapsed or been taken over by government. We took action with the stimulus plan, and Senator Fifield agreed with it and supported it. So did the Leader of the Opposition then. Times have changed, but let us

just get Senator Fifield's quote in. Senator Fifield said on Sky News on 13 October:

We're in a crisis at the moment. This is an economic crisis. And you need to make quick decisions. You need to respond quickly.

Thank you, Senator Fifield; that is exactly what we did. We acted quickly and decisively to stimulate the economy, and you supported it. Your opposition supported it as well, and Malcolm Turnbull said it would work to stimulate the economy.

The government has an economic strategy to get through the global recession. We have a strategy to support jobs and business and cushion the economy through the global recession. It started in November last year with stage 1, the first stage of the stimulus package: the Economic Security Strategy. The start of it was increasing the first home owners grant from \$7,000 to between \$14,000 and \$21,000, boosting the building industry and helping first home buyers. It is working. First home buyers are rushing back into the market. I urge all the coalition senators on the other side of the chamber to go out into their communities and talk to builders and master builders, to tradespeople, to plumbers and to electricians. Ask them about the stimulus strategy and the first home buyers grant. They support it. They pressured the government to keep it in the budget because they know it is having an effect. Something like 59,000 first home buyers are back in the marketplace because of this measure, part of the stimulus package which you supported.

But it did not end there. Stimulus payments were made to pensioners, to carers, to veterans. These payments were an immediate injection into the economy to stop businesses shutting down, to stop unemployment going through the roof. And, Senator Fifield, you supported those payments. But that was just part of the strategy. That was only stage 1. We moved on to stage 2 in February, with the

Nation Building and Jobs Plan. This is where the bulk of the government's infrastructure funding really came into play. The fact is that 70 per cent of the government's stimulus is in infrastructure. In February, in that package, the government delivered shovel-ready infrastructure projects that could start quickly—small and medium-sized projects that would stimulate the economy immediately.

Those senators on the other side of the chamber do not think this is high-quality infrastructure. They do not think that putting infrastructure in schools, in primary schools—building halls, libraries, classrooms, language labs, science labs—is high-quality spending. They do not think it is high-quality investment. I tell you all the teachers, principals and school communities I have spoken to believe it is investment for the future, investment in our children. We are proud to have put that school modernisation program in place. You on that side of the chamber should be ashamed that you opposed it. You opposed money for schools.

We are spending massive amounts now on roads. Go down to Albury and have a look at the Tarcutta bypass. It is going to support 700 jobs. Go to Tasmania and look at the Brighton bypass—380 jobs. A week ago I was in Ulladulla at a youth complex. Who was I standing next to? The Liberal member for Gilmore, who gave the thumbs up to the infrastructure, the thumbs up to 200 jobs locally in the South Coast community. Everywhere I travel in relation to rolling out the stimulus package, Liberal mayors come up to me. The Liberal mayor for Mosman came up to me and said: 'Mate, I told Tony Abbott that we get nothing under the Liberal Party. It is only Labor that delivers on infrastructure.' This was a Liberal mayor. He was not the first and, let me tell you, he will not be the last.

The third element to the strategy obviously was the budget last night. This builds on the infrastructure that the government put in place in the Nation Building and Jobs Plan, with \$22 billion on big road projects, metro rail projects, rebuilding our highways and fixing our ports. This is funding that should have been spent earlier. We know the truth. We know that the previous government underinvested in and neglected our infrastructure. Talk to Don Argus about the 11 years of neglect—10 per cent down to GDP ratio. We know what the coalition did on infrastructure. This government is fixing it. Not only are we building the infrastructure for tomorrow; we are supporting jobs and small businesses right now in the community, and we are proud of it.

**Senator SIEWERT** (Western Australia) (4.18 pm)—We have heard a lot of discussion about the issues around the growing debt and deficit in this country. We do not hear a lot of discussion about the growing social deficit in this country, which is going to be expanded under this budget. We the Greens of course have concerns around the deficit, but we also believe that many Australians share with us the view that in tough times we need to invest very carefully in measures that soften the blow to those hardest hit during those tough times, during recession. We agree we need to be investing in building infrastructure that supports our future prosperity and we need to be doing this with well-targeted stimulus measures. However, we are deeply concerned that we are not investing that money in areas that meet the needs of those hardest hit in Australia.

I believe that many Australians share my shock and disappointment with the kinds of measures that were introduced yesterday. The items that Wayne Swan has been running up on our nation's credit cards are not giving people a fair go and they are increasing the social deficit that we face in this

country. This is not a budget that seeks to share the pain by helping out those hardest hit. It does not seek to deliver equity and a fair go during tough times. This is not a budget that seeks to trim unnecessary spending and prioritise the investment in important priority areas. It is not a budget with an eye to the future, that invests in measures that tackle the threats to our sustainability and invests in a growing new green economy.

There is not a fair go for single parents and the unemployed, who have been overlooked in this budget. There is not an increased investment in helping our social services to address the growing problem of unmet need and to build their capacity so they can support the growing wave of those who are facing crisis. There will be new people seeking extra support who have become unemployed. We all expect that their numbers, unfortunately, will continue to grow. There are more and more families who will not be able to keep up with their mortgages, will not be able to meet the rising cost of living, and they will be needing emergency relief, financial counselling and emergency accommodation. There will be more stress placed on their relationships and, unfortunately, there may be more mental health episodes. The budget does not address the growing crisis in aged care and it does not address many other areas which I have not got time to go into.

After all the weeks of leaks and prebudget spin, most Australians were expecting a tough budget. Many of us were in fact prepared to share the pain, to dig deep to make sure that the nation was on a steady course and to help those most disadvantaged in our society. What we were not prepared for was to be asked to face a massive deficit so that we could fund further government largesse on tax cuts, a massive boost in defence spending and ever more money for clean coal. This was without a fair go for those most disadvantaged and without sufficient



funding for services and support for those most in need.

Many Australians have become very aware of their job security in these uncertain times and are increasingly concerned that they could suddenly, through no fault of their own, find themselves without a job. Right now, the Newstart allowance is \$227 per week for singles. Losing your job seems to us like the first step on a slippery slope to poverty. Unfortunately, for many, there is a real risk that they will end up in long-term unemployment, losing skills, motivation and employability—precipitating financial and family crises. Unfortunately, this may end up in their sliding into poverty and despair. Where are the extra jobs and the job-ready measures that we were all expecting in this budget?

The Greens have been calling for a long time for a greater investment in social services and community building. The previous government were guilty of squandering the benefits and the opportunities of the good times and failing to invest in those measures that build a truly sustainable social infrastructure. They undermined the sustainability of our community services, pushed through unjust and unfair Welfare to Work measures and contributed to a growing gap between the haves and the have-nots.

I refer to the report that was released by the Australian Council of Social Services in looking at the winners and losers from the pension increases and the measures that we believe are going to create a growing social deficit in this country. The Greens of course welcome the increase to the single age pension. We have campaigned on that issue for many years. However, we think it is despicable for the government to pick only some pensioners to be winners. To leave out single parents—300,000 single parents—and their 600,000 children is unconscionable. If it is

unacceptable for a single age pensioner to try to survive on \$285 a week, it is unacceptable for single parents to try to raise their children on less than that. It is unacceptable for those on Newstart to try to exist on \$227 per week. If age pensioners cannot meet their budget requirements, how can single parents and how can those on Newstart?

I did some simple calculations the night before last, looking at what a single parent on a pension gets with family tax benefits A and B. It is \$123 less than the minimum wage—and, of course, the minimum wage does not include that family's access to family tax benefits A and B. Those families on the minimum wage struggle to survive. I ask again: how does this government expect single parents to survive and bring up their children outside of poverty on less than the minimum wage? It would seem that this government have reversed the Hawke mantra of 'no child shall live in poverty by 1990'. It seems to us that their mantra is now 'the children of single parents will all be living in poverty by 2020'.

It is unacceptable that a budget deficit of this size does not deliver for all those most disadvantaged in our community. It will take us many years to claw back the budget deficit. How long will it take us to recover from the looming social deficit that this budget will create, where the government clearly picks winners and losers? Of course, this impacts not only on those families who are not getting this support, who have to deal with the issues of sliding into poverty and existing in poverty, but also on our community. It breaks down community resilience and cohesion. It results in anger in communities and the building of fences and walls between the haves and the have-nots. It does not create a cohesive society that we in Australia value so much. Those divisions will get wider. Those divisions will not be repaired unless we give those most disadvantaged in

our community the support they need and give them a fair go.

I will acknowledge that the previous government started differentiating as to single parents with their punitive Welfare to Work regime, which put single parents on a lower income on Newstart than they had when they were on parenting payment single. But, instead of redressing that outrageous measure, this government continues that demonisation. Is that why we are picking on single parents? Is it because we want to demonise them? Are they somehow undeserving of government support? Are those on Newstart suddenly undeserving of government support? This is not only a social deficit issue; looking after the unemployed and single parents and their children—so their children are not being raised in poverty—is an economic investment as well, because we all know the implications of poverty on—*(Time expired)*

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) (4.28 pm)—Well, this is going to go down as one of the greatest horror movies of all time. When the financial situation started to turn around, I remember the Labor Party saying that they were going to do something about it, and they came out with: ‘Go hard, go early, go household’—like some kind of B-grade movie of dubious nature. ‘Go hard, go early, go household’—and now that has stuck with us. After all that, they now come out with: ‘Well, what would you do if you were as silly as us?’ That is how they are trying to explain themselves: ‘What would you do now if you were as silly as us? What would you do if you turned up to a wedding without your strides on?’ I do not know; I would not get myself into that situation. That is the issue before us in this chamber.

Financially, the Labor Party have been caught with their strides down, and that is the whole problem. Mr Hyden, the CEO of the

Australian Office of Financial Management, said when we started this that the \$200 billion facility had alarm bells ringing everywhere. We said, ‘When will this debt be drawn down?’ He said, ‘It’ll be drawn down in 2012-13.’ That is what he said at Senate estimates not last year but in February. Well, it is quite apparent that it is going to be drawn down right now. So we are out by 2½ years—but what’s that between friends when the Labor Party is in power—and we are heading towards \$300 billion in debt.

In fact, I was looking at the report on the government’s net financial worth. It shows that total liabilities are \$283 billion this year, then \$343 billion, then \$402 billion, then \$461 billion and then half a trillion dollars by 2012-13. This is what Australians now have before them. These geniuses are now running the country, and this is the result. As a little old bush accountant, I always see these clients turning up. They never have a clue and they can’t work it out. They have been on a bender for about two years. Then they turn up with the plans for the house and they can’t work out why they haven’t got any money. It is so simple. You just have to say to them, ‘Lock up your chequebook.’ But they can’t do it. We now have a position where the whole nation is really in a pickle. We have really got ourselves into trouble.

When I heard the deficit last night, I thought back to the troubles they had in California. When they had a deficit of \$42 billion the place was bankrupt. They couldn’t pay the public servants. The whole place went into meltdown. I was interested in it so I went and found what Governor Schwarzenegger said. He said, ‘The deficit is a rock upon our chest and we cannot breathe until we get it off.’ That was the sort of decision they had to make to try and get themselves out of that situation. Debt is your biggest problem. You must go forward with a plan, an exit strategy. Anytime you go to see the

bank manager, the most obvious thing he will say to you—and I know this from my time in banking—is: ‘What is your exit strategy? How are you going to get out of this? If things go bad, how are you going to pay this debt back?’

Mao had his little red book, and Wayne Swan had his little yellow book with the stimulus package back in February. It had two bullet points—on pages 6 and 7 or pages 7 and 8—that basically said, ‘When things get better, we’ll pay the money back.’ What an epiphany: when things get better, you pay the money back! So I thought: I’ll have to try that out on some of the bank managers back home. I will say, ‘Mrs Smith wants to borrow \$2 million.’ They will say, ‘That sounds brilliant. How is she going to pay it back?’ I will say, ‘When things get better, she’ll pay the money back.’ It is so ludicrous; it is so financially naive. We have this immense financial naivete just oozing from the other side. They grab onto anything. They say, ‘If you understand John Maynard Keynes you will understand that, within the cycle, you have to go into deficit.’ Well, the deficit cycle starts as soon as the Labor Party gets into power, and we go out of the deficit cycle about three, four or five years after the coalition starts paying off the debt. This is exactly what is happening here.

And then we have to look at the cost of your government’s funds. I have been fascinated by your cost of funds. You are looking at around five per cent on your cost of funds, yet you are saying at the same time that you believe there is going to be 4½ per cent growth. This is remarkable. The whole world economy boots up and drags the resource sector out. The whole world is out there demanding money but you are managing to get it cheaply. This is clever; this is brilliant. How are you going to do that? At the same time, you will have an absolutely diluvial

debt that will drown out the opportunities for all Australians, wherever they are.

When we start getting out of the global financial recession, interest rates will go through the roof because of what you have done in the last 18 months or so. You are responsible for this. I remember when there was a premium on debt. I always used to judge management by the difference in premium between the United States benchmark price of money and the Australian benchmark price of money. Our coalition colleagues, the Libs, did an extremely good job. Under their management, they got it down to about 1½ per cent at one point. It was extremely good management. Congratulations. Under Keating it blew out to about 8½ per cent. I have always called that ‘the management factor’, because it shows whether you know what you are doing.

The other point I would like to pick up on is the statement that everybody in the National Party agreed to the first stimulus package. We did not. If you look at the vote you will see that we did not vote in support of the first stimulus package. In fact, I stated that the stimulus would be spread across the carpet on Christmas Day with ‘Made in China’ written on the back of it and that it was a complete and utter waste of money. Time has proven us correct. So this is what we have got.

In closing, I want to go to where you have spent the money. It is wonderful to be able to drive around on new motorways in the family car but it is not what you invest in if you want to pay money back. What you should be investing in is things that move the coal and iron ore around our nation. What happened to the inland rail? You leaked it to the *Australian* but then withdrew it. We need things that increase the aggregate capacity of our nation. You have gone away from things that increase the aggregate capacity of the

nation. You have gone to sugar-coating certain seats with things that will make people feel good. But you have not been prepared to make the brave decisions, the hard decisions, to invest in things that increase the aggregate capacity of our economy. You have failed to grasp the nettle. You have run away from the hard decisions. You have not done anything that seriously shows that you understand our plight with this debt.

Let us look at the cost of funds. We have Matt Johnson and Lindsay Tanner basically agreeing that you are going to have to increase debt to \$300 billion in the short term. What is the cost of funds for that, and who is going to pay the Australian people? (*Time expired*)

**Senator LUNDY** (Australian Capital Territory) (4.36 pm)—It is my pleasure to make a contribution to this debate for no other reason than that I have been motivated by Senator Joyce to expose the most ridiculous representation of the facts that I have heard for an extremely long time. In fact, the investments that Labor is making to stimulate the economy are precisely the kinds of investments that we need to provide for growth opportunities in the future. They are precisely the kinds of investment opportunities that the Howard government neglected to make for 13 years in government.

I remember on so many occasions standing on the other side of this chamber calling on the former government to account for making cuts to our education system, cuts to our capacity to invest in research and development, cuts to our capacity to service the infrastructure needed to allow our economy to make the best use of the growth around at the time. I challenge those senators opposite to come in here and talk about capacity constraints. They are guilty of making those constraints through that period of neglect under the former Howard government. It is a

disgrace. It is a problem that the Labor government inherited. It is a problem we knew we would inherit. It is a problem we took to the Australian people and the Australian people said, 'We need the Labor government to fix this problem.' It was part of our platform coming into office that we would make these investments in the way necessary.

No-one predicted at that time what was going to happen to the global economy. Since we were elected, circumstances have changed completely. We now find ourselves in the grip of a global recession, resulting in significant downward revisions to tax receipts. As we know, some two-thirds of the projected deficit is because of that reduction in revenues. We find ourselves in an extraordinary situation. What does a Labor government do? A Labor government stands up and takes responsibility for jobs in this country and for opportunities to provide growth through the economic recession. We know what the Liberal Party would do. We know that they have no clue at all. They will not stand up on the other side and say what measures they would pull out of this budget. Malcolm Turnbull said not that long ago, indeed in February this year, that he would spend up to \$177 billion—barely 10 per cent less than what we are spending.

Now the opposition have the audacity to come into this chamber and criticise Labor for the level of debt. This opposition are all over the place and they know it. They are embarrassed by it. They have nowhere to go. Labor are setting a new standard in proactive policy decision making in Australia that will save jobs and buffer this country through a critical and difficult period, and we will do it in such a way that will see us emerge stronger than ever from this crisis. I would like to go to those issues now.

The debt that we carry as a proportion of our GDP is far less than that for comparable

developed nations. The other side of the chamber do not like to hear that fact; in fact they have gone a little quiet because they know it is the truth. They know that we are able to manage this debt quite effectively. We know that the types of investments Labor are making to stimulate the economy with the two stimulus packages, and now an excellent budget package to complement that, are about creating jobs, stimulating building and construction, and stimulating investment in research and development, higher education and health infrastructure. All of these measures will have the effect of not only creating economic activity right now when we need it most but also building capacity in all things that will serve this nation well as we emerge from this recession. I would like to mention a couple of those matters specifically because they are critically important.

In direct contradiction to the claims made by Senator Joyce just before, we are investing in hard infrastructure to remove the capacity constraints—in roads, in ports and in rail. We are doing that because for 13 years the Howard government neglected to do that despite having a budget surplus. We have also delivered the promised tax cuts and, through previous stimulus packages, \$900 to eligible families. Why? Because that keeps the economy ticking. It makes sense. A responsible government uses the policy tools available to it to take care of the society it represents, and that is exactly what the federal Labor government are doing. Why? Because we care and the coalition parties do not. To come in here and say that they would not take this action means that they would say—

*Senator Bernardi interjecting—*

**Senator LUNDY**—I put this to you: write to all the people who you would deny their tax cut or their pension increase. Write to them and tell them why. Write to them and

say, ‘We don’t support these spending measures.’ If this lot opposite come in here and, as they say they will, make noises about not supporting this budget, this is the letter that they will need to write to Australians whom they will deprive.

Another area that I would like to touch on is the investment in a critical piece of infrastructure: the National Broadband Network. The National Broadband Network is economic infrastructure. I have watched for many, many years the former Howard government play with this piece of public policy to the detriment of just about every Australian business and every Australian person who has tried to get decent internet access and is still paying far too much for it—the legacy of the Howard government’s policies. The National Broadband Network policy has such foresight and vision. I have to say, and I have said it many times lately, that I did not think I would ever see such a fine policy that got it so right with respect to a fibre-to-the-home network. I am very proud of Labor for making that investment.

The other thing I would like to mention is very future orientated: clean energy. Federal Labor are very clever for investing in renewable energy and clean energy initiatives through both the stimulus packages and now the budget. These are truly future orientated policies. If we are going to be investing in industries of the future, what better industry to invest in than one that will help us provide clean energy. This will help us lighten the carbon print.

As we now know, and this has been reinforced today in every debate like this, Labor are the only party that have the capacity in government to deliver real climate change initiatives. The opposition cannot even work out where they stand on this issue. It must be very awkward for them over there because they are so confused on this. They do not

have a substantive position on the very important issue of climate change. They find themselves writhing around, changing their position at regular intervals. In fact, I have seen an excellent document which tracks the contortions that Mr Turnbull finds himself in almost on a weekly basis when it comes to the opposition's position on climate change and emissions trading schemes and so forth. So it will be very interesting to see where the opposition end up on that critical issue when it comes before the parliament.

Finally, I would like to say a few words about what is going on in my own electorate. I think that is a very important issue for all of us, and I know all of my colleagues in this house understand it very well. This is about real initiatives—real initiatives for all of the primary schools, the secondary schools, our hospitals, our community facilities, our relatively humble investment in the Albert Hall, a wonderful place of civic celebration here in the national capital, and our national capital institutions. Problems are being solved through this budget. In that sense, the investment through the various measures is very welcome in my own electorate of the ACT. There are road chokes and problem areas that are being resolved, and that infrastructure investment will serve the purpose of maintaining a dynamism in our construction industry, which, of course, is on a trend to falling flat as a result of the recession. So we have a clever budget designed for the times, and they are very tough times. It is only the Labor government that has got the measure right, got the balance right and got a budget that is right for the times.

**Senator BERNARDI** (South Australia) (4.46 pm)—Having listened to the debate and the contribution from those on the government benches, I, frankly, am appalled. I have listened to Senator Lundy talk about what she knows and about the investments that this government is making. But there is a

simple question that she was not prepared to talk about, and that is: when will this government repay the onerous debt burden it is foisting upon the Australian people for decades to come? That is the single question. It is right for the Australian people to be alarmed about the direction in which we are going.

I listened to Senator Arbib verbal Senator Fifield for his outstanding contribution, by selectively quoting some references from *Sky News*. What Senator Arbib did not actually reflect on was that Senator Fifield said that you do need to respond quickly and taking a quick decision on pensions would be one of the most direct things you could do to help stimulate the economy. That was rejected by this government, when people were in need and they were delayed in getting it. So do not come in here and say that you are the party of compassion and you are investing in the future, because you neglected the needs of the people whilst your budget situation was deteriorating. You refused to confront it, and you refuse to confront the issue of how you are going to pay this back. To paraphrase a song: you are on a magical mystery tour. You do not know where you are headed and you do not know how you are going to fix the problems that you are creating. It reminds me of a phrase that was repeated to me often as a child: 'People seem to know the price of everything and the value of nothing.' Well, let me tell you, the Australian people know the price of this government. It is \$188 billion and it could go much higher. But we also know the value of this government, because that is absolutely zero. This government is so reckless and irresponsible in its spending that it is going to shackle every man, woman and child in this country with thousands upon thousands upon thousands of dollars worth of debt. It is going to shackle this nation with an interest bill, at current

interest rates, which we heard today is going to exceed \$7½ billion.

We also know, as does anyone who has a basic understanding of economics and finance, that the only way governments can repay debt is to inflate the economy and create inflation, which causes interest rates to go up, which will make a complete mockery of this government's claim of \$7 billion worth of annual interest payments. It will probably be \$15 billion or \$20 billion a year that the Australian people will have to toil to repay so that 'Keconomics' can have a go at working. It is an absolute farce and the government should be ashamed. I am sorry, Mr Acting Deputy President, that you have had to listen to such nonsense from the other side of the chamber. The other way, of course, that a government can repay debt is to increase the taxation requirements on the people who are working so hard to support their families, build businesses and invest in assets. The government are going to either inflate their way out of debt or tax their way out of debt, but we do not know when. They are going to keep putting the magic pudding in front of them and saying, 'Let's hope the public don't wake up to this.' But they are waking up. They are waking up to the reckless, irresponsible image and conduct of this government.

In extending the olive branch briefly to the government, I will say that there is an international financial crisis and it is absolutely apparent that the international financial crisis is caused by too much debt. Anyone who understands finance understands that. Yet, the cure for too much debt is not to go into more debt. Any family understands that, any individual understands that and any business understands that. I wonder how many in the Labor Party run their households at home by incurring more debt when they are already struggling to meet their repayments. I bet nary a one. But somehow it is

okay for the country to go down this path. Senator Joyce mentioned that it was like a horror movie. I think it is bit more like the *Wizard of Oz*. We have the frightened Swan, who was too afraid to mention the budget deficit of \$58 billion in his budget speech. We have the Prime Minister who thinks somehow he is just going to click his red heels together and, in five years time, everything will be fixed up and he will be back in Kansas. I suspect this Prime Minister will be lounging around his \$5 million beach house in Queensland, such is his compassion for the Australian people.

We have got a bunch of people pursuing a brain, thinking, 'We can redefine economics, we can spend our way out of trouble and spend our way into prosperity.' It does not work like that. Every dollar borrowed today is going to have to be repaid threefold, and the Australian people are going to have to wear the burden of this. There is a crisis in this country. There is a crisis of confidence in this government, there is a crisis of currency in this government. The Australian people are waking up to the fact that this is a government without a path. It does not have an agenda save to keep things plodding along as quickly as possible so that they can win their way back into government again. The Australian people cannot afford it. We cannot afford a debt burden which is going to lie on our chest as we struggle to breathe as a nation. We cannot afford it. We need to break away from this cycle of irresponsible and reckless spending. Yet the government does not quite see it like that. It thinks somehow it is doing us a favour, doing the Australian people a favour by penalising and placing this debt burden on our children. What we can see is that it has put the package together, put a yoke on the children, the very future of our country, and asks them to toil and toil to pay for Kevin Rudd's indulgence. It is a wrong course of action. It is a course

of action that is going to do untold damage to our economy. It is a course of action that is advocated only by those who are prepared to be irresponsible.

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

### COMMITTEES

#### Scrutiny of Bills Committee

##### Report

**Senator JOHNSTON** (Western Australia) (4.53 pm)—At the request of Senator Coonan, I present the fourth report of 2009 of the Standing Committee on the Scrutiny of Bills. I also lay on the table the document *Scrutiny of Bills Alert Digest No. 5 of 2009* dated 13 May 2009.

Ordered that the report be printed.

**Senator JOHNSTON**—I move:

That the Senate take note of the report.

I seek leave to incorporate Senator Coonan's tabling statement in *Hansard*.

Leave granted.

*The statement read as follows—*

In tabling the Committee's *Alert Digest No. 5 of 2009* and *Fourth Report of 2009*, I would like to reiterate some important points in relation to explanatory memoranda which have been expressed by the Committee several times in the past.

In *Alert Digest No. 5 of 2009*, the Committee has raised a number of concerns, and has sought responses from the relevant Ministers, in relation to almost half of the bills which were the subject of consideration. These concerns relate to, for example: retrospective commencement and application of provisions; use of 'Henry VIII' clauses to enable delegated legislation to override earlier Acts; wide delegation of powers; potential non-availability of review rights; and insufficient parliamentary scrutiny.

The Committee has been impressed with the quality of recent Ministerial responses and the

timely fashion in which they have been provided to the Committee. Such responses have contained extremely comprehensive explanations and clarification of particular matters considered problematic by the Committee. In almost every case in the past year or so, the Committee has been satisfied that the responses adequately address its concerns. The Committee has also been pleased to note recent undertakings by some Ministers to move amendments or make changes to explanatory memoranda on the basis of the Committee's concerns or suggestions.

Indeed, in a response to the Committee's comments on the *Transport Safety Investigation Amendment Bill 2009*, contained in the *Fourth Report of 2009*, the Minister for Infrastructure, Transport, Regional Development and Local Government has undertaken to ensure that regulations will be made to prescribe a requirement to report on the use of special investigators in transport safety matters investigated by the Australian Transport Safety Bureau during each financial year. The Committee had expressed concern in *Alert Digest No. 3 of 2009* at the lack of a requirement to report to Parliament on the use of special investigators.

While the Committee welcomes such outcomes, it nevertheless remains concerned that it has to regularly seek information from Ministers about recurring issues – many of which are discussed in today's *Alert Digest* – when that information could be included in the explanatory memorandum. When considering bills that come before it, the Committee places a great deal of reliance on the accompanying explanatory material. If this material does not clearly explain the operation and impact of the particular legislative proposal, then the work of the Committee is made more difficult.

It is absolutely essential that explanatory memoranda include clear and comprehensive explanations of provisions to 'fill in the gaps' so that legislation is accessible and readily understood by the Committee, the Senate, and members of the public. In this context, the Committee considers that 'too much information' is preferable to 'not enough information'. Where detailed explanations are provided in explanatory memoranda, the Committee is more readily able to satisfy it-



self that provisions do not infringe its terms of reference – without recourse to Ministers.

The Committee would once again urge Ministers to ensure that explanatory memoranda are put through quality assurance processes. As stated in the Legislation Handbook developed by the Department of the Prime Minister and Cabinet, the aim of explanatory memoranda is to assist ‘members of Parliament, officials and the public to understand the objectives and detailed operation of the clauses of the bill’.

As the Legislation Handbook recognises, explanatory memoranda ‘should not simply repeat the words of the bill or restate them in simpler language’. Full explanations of the purpose of clauses is crucial and examples of their intended effect, or the problems they are intended to overcome, are always helpful in illustrating how particular measures will operate in practice.

I commend the Committee’s Alert Digest No. 5 of 2009 and Fourth Report of 2009 to the Senate.

Question agreed to.

#### **Public Accounts and Audit Committee Statement**

**Senator LUNDY** (Australian Capital Territory) (4.54 pm)—On behalf of the Joint Committee of Public Accounts and Audit, I table a statement on the draft budget estimates for the Australian National Audit Office for 2009-10 and the committee’s decision on the appointment of the Independent Auditor. I move:

That the Senate take note of the document.

I seek leave to incorporate the statement in *Hansard*.

Leave granted.

*The statement read as follows—*

REPORT BY THE JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT ON THE 2009-2010 DRAFT ESTIMATES FOR THE AUDIT OFFICE, AND THE APPOINTMENT OF THE INDEPENDENT AUDITOR OF THE AUDIT OFFICE

Mr President, the Public Accounts and Audit Committee Act requires the Committee to consider ‘draft estimates for the Audit Office’, with the Committee making a statement to the Senate in budget week on whether, in our opinion, the Auditor General has been given sufficient funding to carry out his duties.

In support of this process, the Auditor-General is empowered under his Act to disclose his budget proposals to the Committee, which we then consider and use to make representations to Government as necessary. This process reflects both the Committee’s status as the Parliament’s audit committee, and the Auditor General’s status as an independent officer of the Parliament.

In our statement on budget day last year, we reported that the Committee had “significant reservations” about the Auditor-General’s budget for 2008-09, which saw the Audit Office suffer a 3.25 per cent reduction in base funding, in addition to having to absorb significant new responsibilities.

In response to its decreased budget the Audit Office reduced its target number of performance audits from 51 in 2007-08 to 45 in 2008-09, and its target number of public sector “Better Practice Guides” from four in 2007-08 to three in 2008-09. In our statement last year we noted that the Parliament was not well-served by this, and that the Audit Office could not consistently deliver the outcomes expected of it by the Parliament, the Australian community and its agency clients on its existing funding base.

The Committee met with the Auditor-General in March to review the Audit Office’s budget proposals for the coming financial year. Following that meeting the Committee wrote to government to recommend support for the Auditor-General’s request for an additional \$30.8 million over four years, with an ongoing amount of \$9.3 million annually.

The additional funding was to be applied in four main areas. First, and foremost from the Committee’s perspective, \$7.4 million was sought over four years to restore the target number of performance audits to its traditional level of around 50 audits per year, following the reduction to 45 for this financial year.

Both the Committee and the Auditor-General regard this measure as being particularly important given the increasing size of the public sector, and the number of requests from Parliament and private citizens for audits. I am pleased to advise that the Government has agreed to provide the funding sought in the budget. As a result, the target number of performance audits will increase to 47 next financial year and to 50 in 2010-11. This is in addition to the production, in both years, of four Better Practice Guides and the new Defence Major Projects Report, for which funding was provided in last year's budget.

By way of explanation, the Audit Office was asked to prepare alternative budget proposals costing a total of \$20 million or \$10 million over four years, in addition to its preferred position of \$30.8 million over four years. The Government has determined that the Audit Office will receive an additional \$20.1 million over four years in this year's budget, with total revenue from Government estimated at \$68.4 million in 2009-10. Whereas this year's budget allocation allows the return to a desirable level of performance audits, not all areas will receive the allocations originally proposed by the Audit Office.

The Audit Office sought \$10.2 million over four years to enhance IT and other specialist audit capabilities. In relation to IT, the Auditor-General advised that the Audit Office is having difficulty in responding to the significant growth and change in the public sector IT environment. Agencies are increasingly relying on complex, integrated IT systems to deliver outcomes, and the Auditor-General therefore sought funding to undertake structured data analysis in support of the audit program. Additionally, the Audit Office sees a need to increase its use of professional valuation and actuarial advice in light of significant growth in the scale of infrastructure and investment funds, and the greater use of current cost methodologies to determine asset and liability values in financial statements.

The Committee notes that the Audit Office will receive \$8.5 million of the \$10.2 million it had sought to enhance IT and other specialist audit capabilities.

As part of its preferred bid of \$30.8 million over four years, the Audit Office also sought \$5.6

million to allow an increase in its technical support and quality assurance capability. Global accounting firms have significantly invested in their technical areas since the introduction of the International Financial Reporting Standards, in recognition of greater complexity and to reduce the risk of inappropriate audit opinions. The Audit Office advised that its resources devoted to technical support and quality assurance are the bare minimum having regard to the scale and complexity of its client group, contrary to trends within the auditing profession. The Committee notes that the Audit Office will receive \$3.6 million over four years to help rectify this, as part of the \$20.1 million in additional funding agreed to by the Government.

Finally the Audit Office sought \$7.1 million, as part of its preferred bid of \$30.8 million over four years, to meet the workload associated with a full revision to the Auditing Standards due to take effect in Australia from 1 January 2010. New requirements in nearly 40 standards are expected to increase financial audit effort significantly, affecting not only audit resourcing but also audit methodology and related training needs. However, the alternative bid for \$20 million requested and ultimately selected by Government did not include funding for this additional workload; as a consequence that funding has not been provided at this time.

Mr President, the Auditor-General has advised that his appropriation for 2009-10 will place the Audit Office on a more sustainable financial position, and that it will now have sufficient resources to meet its work program in the year ahead. The Committee therefore endorses the budget proposed for the Audit Office for 2009-10.

While the Committee recommended an additional \$30.8 million over four years, the \$20.1 million ultimately provided is welcome in a difficult budgetary environment. We particularly commend the funding to restore the program of performance audits and Better Practice Guides to previous levels. With the Australian Government's revenues and expenses presently estimated at approximately \$300 billion, a restoration of the audit program will be a modest but prudent investment in a more effective and efficient public sector.

However, the Committee urges the Government to be sympathetic to any request, in next year's budget, for additional funding to meet the costs of the full revision to Auditing Standards. As I said, those new standards will significantly increase the effort required to audit the financial statements of public sector entities – the Auditor-General has advised that the extent of new requirements will represent a 20 per cent increase in workload in that area. I note in this context that the Audit Office has received only partial funding for the substantial increase in audit workload already arising from the introduction, from 2008-09, of the new General Government Sector financial statement.

Given that the financial statement audits are mandatory obligations for the Audit Office, there is a risk that any budgetary pressures in this area will force the Auditor General to again downgrade his discretionary program of performance audits in future years. Given the importance of the performance audits in driving improvements in public administration and accountability, the Committee continues to assert that any such downgrade would be a false economy, and would be particularly regrettable in light of the welcome restoration of funding in this year's budget.

The Committee also urges the Government to expedite its response to the recommendations in our December 2008 report on the impact of the efficiency dividend on smaller public sector agencies. If adopted, those recommendations will provide significant relief for the Audit Office and other small agencies.

We expect that the Audit Office will be fully funded for any new obligations that Government places upon it, for example if there are any audit obligations attached to measures responding to the global financial crisis, or if new agencies are established. In this context we welcome the provision, in this year's budget, of an additional \$600 000 over four years to audit the newly created Department of Climate Change.

I also note the Auditor-General's new role, which the Committee is currently reviewing, in conducting assurance reviews of the compliance of public advertising campaigns with Government guidelines issued in mid-2008. While the Auditor General sought and received \$2.5 million over

four years for this work, his evidence to our committee suggests that should the number of advertising campaigns exceed the original level anticipated, then additional resources will be needed before this new obligation could be said to be fully funded. The Committee may make further recommendations in its inquiry report in due course.

Mr President, on another matter the Committee is required, under the Auditor-General Act, to endorse the proposed appointment of any person to the office of Independent Auditor before that appointment can be recommended to the Governor-General. The Committee is also obliged to report its decision to Parliament. The Independent Auditor is a person appointed from the private sector, on a part time basis, to serve as external auditor to the Audit Office.

I take this opportunity to advise the Senate that on 19 March the Committee unanimously approved the re-appointment of the current Independent Auditor, the CEO of KPMG Australia Mr Geoff Wilson, to a second term.

I present a copy of my statement.

Senator Kate Lundy

Joint Committee of Public Accounts and Audit

13 May 2009

Question agreed to.

### **Selection of Bills Committee**

#### **Membership**

**The ACTING DEPUTY PRESIDENT (Senator Barnett)**—The President has received a letter requesting a change in the membership of a committee.

**Senator LUDWIG** (Queensland—Minister for Human Services) (4.56 pm)—by leave—I move:

That Senator Coonan be discharged from and Senator Bushby be appointed to the Selection of Bills Committee.

Question agreed to.

**FINANCIAL ASSISTANCE  
LEGISLATION AMENDMENT BILL  
2009**

**SOCIAL SECURITY AND FAMILY  
ASSISTANCE LEGISLATION  
AMENDMENT (2009 BUDGET  
MEASURES) BILL 2009**

**First Reading**

Bills received from the House of Representatives.

**Senator LUDWIG** (Queensland—Minister for Human Services) (4.56 pm)—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 LUDWIG** (Queensland—Minister for Human Services) (4.56 pm)—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—*

Financial Assistance Legislation Amendment Bill 2009

This is a Bill to amend the Federal Financial Relations Act 2009 and the Local Government (Financial Assistance) Act 1995.

The global economic recession is the great challenge of our time and the Rudd Government has made dealing with its impact a priority.

Tonight I introduce a bill that will assist Australia deal more quickly and therefore more effectively

than it otherwise could. The Financial Assistance Legislation Amendment Bill 2009 will provide the Government with greater flexibility to assist local government in Australia.

We know that the global economic recession is placing new pressures on local government across Australia. We have seen reports from the Australian Local Government Association that councils are facing increased defaults on council rates payments. And while record low interest rates are assisting families with mortgages, many councils are seeing a reduction in their level of investment income.

The Government's financial assistance grants provided through the Local Government (Financial Assistance) Act is an important mechanism to provide ballast in the balance sheets of local government. On average these grants contribute around 7 per cent to council revenue.

Earlier this year the Government was able to bring forward the fourth quarter's grant payments to Victoria and Queensland to assist disaster-affected councils. That decision helped affected councils manage cash flow at a critical time.

More broadly in Australia, however, we face the challenge of the global economic recession. Until now the Act that provides Commonwealth funding to local government lacked the means to bring forward some payments from a future year to the current year.

The Bill I introduce tonight remedies that problem.

The proposed amendments for the Local Government (Financial Assistance) Act 1995 will increase the Commonwealth's flexibility to provide additional funding in a particular year, including by, in effect, bringing forward funding from a future year, when economic or other special circumstances warrant such measures.

The other element of the Financial Assistance Legislation Amendment Bill relates to the Federal Financial Relations Act.

Other government decisions taken in the 2009-10 Budget will require an increase in the general drawing rights limit for the 2008-09 financial year for the purposes of section 9 of the Federal Financial Relations Act 2009 so that the necessary payments can be made. To do this, the Bill

will increase the general drawing rights authorising debits from the COAG Reform Fund for the purposes of making grants of general revenue assistance to the States in the financial year starting 1 July 2008.

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Social Security and Family Assistance Legislation Amendment (2009 Budget Measures) Bill 2009

In this Budget, the Treasurer has announced the most significant reforms to Australia's pension system since it was introduced 100 years ago.

The Government's Secure and Sustainable Pension Reform delivers a simpler, fairer and sustainable pension system to prepare Australia for the consequences of our ageing population.

These long overdue reforms will improve the adequacy of the pension system, make its operation simpler, and secure its sustainability into the future.

Central to this reform is providing security and certainty for Australia's carers. Carers make great sacrifices caring for the most vulnerable in our community. We recognise the selfless contribution made by carers every day of their lives. And the great financial pressure many of them are under.

As part of the Government's Secure and Sustainable Pension Reform, 500,000 carers will now have greater financial certainty and the peace of mind that it brings.

Carer Payment recipients will receive pension increases of \$32.49 a week for singles on the full rate and \$10.14 per week combined for pensioner couples. A Carer Payment recipient partnered to a non-pensioner will receive an increase of \$5.07 per week.

And to give carers the financial security they deserve and the capacity to manage their financial circumstances, the Government is replacing ad-hoc bonuses with a legislated annual supplement.

For too long, carers have been burdened by the uncertainty of not knowing whether they will receive one-off bonuses, making it difficult for them to plan ahead and manage their financial circumstances.

This bill introduces a new payment, called Carer Supplement, into the social security law. The first

Carer Supplement payments will be made before 30 June this year.

Carer Supplement, which is a payment of \$600, will be available to a wide range of carers, including those who are caring for children or adults with disability, as well as people who are caring for veterans with particular care needs. The existing \$1,000 Child Disability Assistance Payment will continue to apply for recipients of Carer Allowance paid in respect of a child.

Carer Supplement will be an ongoing payment, guaranteed by this legislation, and will be available each year to eligible carers.

It is intended that the first payments of Carer Supplement will be made by 30 June 2009, for people who were qualified for Carer Supplement (as described below) on 12 May 2009.

On an ongoing basis, from July 2010, a person will receive Carer Supplement if the person was qualified for, and received, one of the qualifying payments for the payment period, normally a fortnight, that includes 1 July.

Qualification for Carer Supplement will be linked to receipt of a range of payments made to carers, including Carer Allowance, Carer Payment, and Department of Veterans' Affairs Carer Service Pension. People who receive Wife Pension or Department of Veterans' Affairs Partner Service Pension as well as Carer Allowance will also be eligible.

A carer who receives both Carer Payment and Carer Allowance will receive an amount of Carer Supplement for each, in addition to increases to their pension.

For example, a single carer who receives both full rate Carer Payment and Carer Allowance will get two Carer Supplement amounts totalling \$1,200, plus an annual pension increase of \$1,689, bringing additional permanent increases in this Budget to \$2,889 a year.

A couple comprising a full rate Carer Payment recipient partnered to a disability support pensioner, for whom the Carer Payment recipient also receives Carer Allowance, will receive pension increases of \$527 a year and two Carer Supplement amounts. This couple will benefit from permanent increases of \$1,727 a year.

The increases to payment rates for Carer Payment will be introduced by legislation in the coming weeks.

This bill is part of the Government's response to the needs of carers and highlights the Government's commitment to improving much needed assistance. Expenditure on the new Carer Supplement will total \$1.8 billion over the Budget period.

This bill also contains some of the measures announced in the Budget to reform family payments to make them more sustainable for the long-term.

This bill pauses indexation of higher income thresholds for certain family assistance payments for three years.

The Family Tax Benefit Part A higher income free areas, Family Tax Benefit Part B primary earner income limit, and Baby Bonus family income limit will remain at their 2008-09 levels and indexation will not be applied to these thresholds from 1 July 2009 to 30 June 2012.

Indexation of the thresholds will recommence on 1 July 2012. The indexation of rates for these payments will not be affected by this bill.

The Family Tax Benefit Part A higher income free area is the threshold at which the base rate of Part A begins to reduce. Families above this threshold receive a reduced rate of payment until the effect of the withdrawal rate reduces their payment completely. Each family's Family Tax Benefit Part A income cut-out depends on the age and number of children. For example, this change means the income limit for Part A for a family with two children under 18 will remain around \$112,000 until 2012.

The Family Tax Benefit Part B and Baby Bonus income limits were introduced by the Government in the 2008 Budget.

The income limit for Family Tax Benefit Part B was set at a generous \$150,000 per annum while the Baby Bonus income limit was set at a comparable \$75,000 in the six months following birth (or following commencement of care by an adoptive parent or a long-term carer). Individuals or families with incomes above these limits are not eligible for the respective payment.

These measures will limit the growth of family payments to families at the higher end of the income scale and save \$1.4 billion over the forward estimates.

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

Ordered that the bills be listed on the *Notice Paper* as separate orders of the day.

#### **PUBLIC INTEREST IMMUNITY**

**Senator CORMANN** (Western Australia) (4.58 pm)—I move:

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:

(1) If:

- (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
- (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee,

the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that

could result from the disclosure of the information or document.

- (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
- (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
- (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
- (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
- (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
- (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in

the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

- (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).
- (d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

I reserve my right to speak after the government minister has spoken.

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (4.58 pm)—The government does have concerns about this motion. It is one of those balances that we make when we look at the notice that is being proposed and come to the conclusion that we do not support it. Senator Cormann presents this motion to the Senate as what appears to be, and I think the motion expresses that, a consolidation of what I might call more broadly past Senate practice and procedure. Perhaps I could also include guidelines or other determinations or other rulings of the Senate.

The difficulty with that process is that it may not be the case that it is clearly a consolidation only. Instead, the motion could seek to entrench an interpretation of past Senate practice and procedure, and the interpretation that is now being placed upon it is either Senator Cormann's or some other interpretation, at least to the extent that it is a singular view, not what may be called a de-

bate about past Senate practice or procedure. It is a limited interpretation and it could limit the operation of the way in which these matters are raised in the present circumstance. In other words, it could create confusion not clarity. That is one of the concerns that the government has with a motion such as this, especially when you seek to provide a consolidation of past guidelines, practices, precedents and rulings of the Senate. At some point you have to determine what that past precedent, ruling, practice or guideline is and then apply that view to the order, turn it into words and produce the order as described.

What that means, effectively, is that you have prescribed a meaning to a ruling, procedure or practice that existed at the time of a particular circumstance. The concern I have with that is that it then becomes your reflection, or others' reflection, of what that past practice is. It does not allow the opportunity for a debate to occur in a current circumstance, which you can then reason or argue by analogy is similar to a past precedent or practice. In fact it may not be, in which case you have consolidated into a list a process that may not accurately reflect the past precedent. That is not to say that it was not taken in good faith that you were endeavouring to reflect the past precedent, practice or guideline—that is not what I am suggesting. It is a case where you are stopped from arguing by analogy what the previous practice was, how it applied to a particular factual matrix and how it would, by analogy, apply to the current circumstance, because that is now lost. You would then be applying the order written in words that are currently expressed as to what those past practices and precedents mean.

That is, quite frankly, a worrying position. Passage of the motion will mean that the Senate is, I think, denying itself the chance to take a wider view of past precedent and

practice, which is what they need in cases where public interest immunity is claimed. In truth, the Senate will have decided to shut the debate on public interest immunity. New cases will be judged not on past practice or precedent but on the words that are currently subscribed within the order itself. That is a concern that should not go without some noting. The other broad frame within which you should examine this motion is: is it a significant improvement on the current practices of the Senate? I do not think so. I think it could be regarded as a diminution of the role of the Senate and the way in which the Senate determines itself, because the Senate usually does not provide itself with fetters or processes of this nature which circumscribe the processes it may take in pursuing public interest immunity.

What we have in Senator Cormann's motion is an attempt to compensate for, if I can say it politely, a view that Senator Cormann may have arrived at in relation to the behaviour of witnesses—and/or some senators or ministers, for that matter. This is not the appropriate mechanism to use to change people's behaviours, demeanour or manner in which they approach the Senate. Rather than seeking to ensure that the witness reads Senator Cormann's mind in relation to the way these things go, the means of pursuing these matters is usually in questioning the way you might go about questioning—and of course if a senator were unhappy with particular questioning then they could always bring it to the chamber.

At least, in this instance, what I think Senator Cormann is trying to do is to improve the compliance and attitude of witnesses. If that is the case, this is not the process, I respectfully submit. The process should be to improve the guidelines, to improve the way the rules operate within the estimates process and the committee process. This ultimately becomes a blunt instrument which is



unlikely to achieve the purpose that Senator Cormann hopes it may achieve—changing the attitudes of witnesses, senators or ministers.

The motion begins by making the outrageous claim that ministers and officers are refusing to provide information to the Senate, yet at no stage has Senator Cormann demonstrated that the minister or officials have acted in this way. I do take it that there are likely to be circumstances where ministers or witnesses do not provide an answer and may not provide a reason for it. However, in many instances, if questioning were to continue it may reveal a particular reason for the refusal at first instance—but that rests in a committee, not in trying to manufacture an audit to deal with a witness who may, might I say, sometimes be more difficult than others. The motion does not outline a coherent process for witnesses who claim public interest immunity. Instead, what we have is a partial description of a process, with no time frames and no key outline of actions that would follow. It also confuses, in part, the process with the outcome that is being sought. The concern that the government has is that it will only entrench confusion about the definition of public interest immunity and will not bring clarity. The motion brings further confusion with its option for in camera evidence in committee hearings and estimate hearings. Clearly, estimates hearings have no provision for in camera evidence and would be unworkable with in camera evidence provisions. They are estimates hearings, which, by their very nature, are held in public.

Where there is a desire by both parties to have the information provided, the guidelines allow the committee and the minister at the table to arrive at sensible arrangements to deal with questions that may have public interest immunity attached, or be claimed to have public interest immunity and would

otherwise be able to have public interest immunity invoked. For example, in estimates hearings I have suggested we might deal with it by way of another hearing, or a hearing outside estimates, or a reference or other process which allows the committee to go in camera or perhaps undertake some more formal examination of a particular point. This motion leaves out that ability and entrenches a very narrow process where you provide only this path, quickly funnelling people to use only this process to achieve these types of claims. In fact, you narrow the case for actually throwing light into dark corners, rather than trying to persuade people's attitudes or beliefs to provide an answer.

The motion allows for almost unlimited opportunities for individual senators to use public interest immunity as a reason to disrupt the proceedings of a committee. I do not suggest that senators would do that, but they could have a mind to point to a sessional order and say, 'This is a right. I am going to use this order and I will use it to deal with a particular circumstance that has arisen'—perhaps a nonresponse by a witness. These could be witnesses not only in estimates but also who are not public servants. They could be from a whole range of circumstances. It is not confined only to bureaucrats who may not want to answer your question; it applies to witnesses at large. You are putting a different slant on it, and I do not think it takes into account the different circumstances that may apply in respect of, for instance, a nonresponse from a private witness or from a witness from another association. Unfortunately, you lump them into one basket to the detriment of the process that generally takes place in the Senate and to the detriment of the courtesies that are extended by senators, ministers and committees more broadly. It is a concern that senators might take advantage of that provision to badger a witness who is

not a public servant and who is not at estimates but is in a committee process.

**Senator Cormann**—There is a process for that.

**Senator LUDWIG**—I will take the interjection—the argument is, of course, that there is a process for that. You are now seeking to put in place a process which lifts precedence, practice and guidelines from what was considered to be just that—precedence, practice and guidelines—to allow flexibility into an order. So you are turning it into a very different beast and one that not only will be used but could also be abused.

**Senator Cormann**—You are exactly right; it is making it clearer. Why are you so scared?

**Senator LUDWIG**—That is what the government is concerned about. You should take the opportunity of listening to the submission I am making, rather than simply holding on to what I consider to be a poorly drafted document that does not take into account all the circumstances that might arise. It circumscribes quite wrongly the way the Senate actually works and I think it can be open to abuse in the process that you have put in place.

The difficulty, in truth, is that it provides more confusion than clarity. Where the motion does get to detail public interest immunity—and this is one matter that the opposition has missed—it could be construed to circumscribe and limit the operation of public interest immunity by the way it is structured. You do not have an embodiment of the test for public interest immunity within the order, but you do have words which describe public interest immunity. I think it could be reasonably construed that you are limiting it only to those instances and not to the broader view of what public interest immunity is. That is, similarly, a concern. Nowhere does

the motion establish an operational process for clarifying whether the risk of harm arising from the release of the information outweighs the senator's need for information. You are simply asserting that the senator's need is by far greater.

**Senator Cormann**—It is ultimately a judgment for the Senate!

**Senator LUDWIG**—That is the concern that I am putting in relation to the document. If you choose to ignore that, the concerns I have raised are here on the record for all to see when this does not operate in the way that you might otherwise have wanted it to operate, or if it does not provide the outcome that you hope it will.

The motion aims to specify the way that public interest will operate. In doing so, I think it will also curtail how public interest immunity will be interpreted. It will bog us down in the detail of arguments about the order rather than the facts of the particular case. We could end up arguing about a particular order and how it operates rather than public interest immunity and the way public interest immunity should operate. The primary test is whether the risk of harm arising from the release of the information outweighs the senator's need for information. But that is not even reflected in the document. It is left for the individual senator to surmise that within your order. On the basis of the reasons I have outlined, this is not a document that I recommend to make an order of the Senate. I do understand that I do not have the numbers in this place, but I think it is necessary to outline the concerns that I have with the process that you are seeking to foist on the Senate.

**Senator CORMANN** (Western Australia) (5.14 pm)—I am sincerely shocked at how quickly this government have turned into a secretive government. I am shocked at the long and detailed presentation we have just

had from the government, which essentially sums up one thing: they are running scared from openness, transparency and public accountability. This runs counter to everything they have said not only before the last election but also since. I will quote to Senator Ludwig a statement made by Senator John Faulkner at a recent conference. The speech, entitled 'Open and transparent government—the way forward', was made at Australia's Right to Know, Freedom of Speech Conference. He said:

... the best safeguard against ill-informed public judgement is not concealment but information. As Abraham Lincoln said: 'Let the people know the facts, and the country will be safe.'

We happen to be the opposition in this place and we happen to have the job of holding the government to account and scrutinising the activities of government. There is a very important process to help us to do that, which is the Senate committee process, whether it is through Senate estimates or whether it is through specific inquiries. We ask questions because we want information—and, yes, there are going to be circumstances when, quite properly, government can claim recognised grounds as to why it would not be in the public interest to release a particular piece of information or document. Of course we recognise that. But I have become increasingly frustrated, over a series of four Senate estimates periods—and I have consulted with colleagues who have also become increasingly frustrated—because I have faced a barrage of obfuscation, of refusals to answer legitimate questions and of refusals to provide documents that were quite properly requested without ministers and officers of the government complying with what is well-established Senate practice and procedure.

I am a reasonably new senator in this place and I recognise that I am not as experienced as people who have served for longer

periods. So, after my first Senate estimates, I went to seek advice from the Clerk. I said, 'I asked a question and they just said, "This is advice to government, so we are not going to tell you anything else,"' as if it were a blanket reason to refuse to answer a question.' On that particular occasion, if my memory serves me correctly, the question was, 'Have you provided advice to government about changes to the private health insurance rebate, to Lifetime Health Cover and to the Medicare levy surcharge threshold?' It was in February 2008. The answer was essentially, 'We can't tell you that; it's advice to government.'

When I asked about this, the Clerk of the Senate pointed me to a piece of advice, and I was very appreciative of it. The date of the advice was 19 May 2005. Chances are that this was prepared by the Clerk of the Senate for the benefit of the then opposition. It talks about what are and what are not reasonable grounds for public interest immunity claims. Reasonable grounds—and there are qualifiers to them—can be:

... prejudice to legal proceedings, prejudice to law enforcement investigations, damage to commercial interests, unreasonable invasion of privacy, disclosure of Executive Council or cabinet deliberations—

and that is often abused by government because it refers to deliberations, not just to any document that may come before cabinet—

prejudice to national security or defence, prejudice to Australia's international relations, prejudice to relations between the Commonwealth and the states

These are recognised public interest grounds as long as they are properly justified either by officials or, as is required, by a responsible minister. I thought, 'This is pretty good.'

In May 2008 we had the Rudd government's first budget and, sure enough, it included an increase in the Medicare levy sur-

charge threshold and a whole series of other nasty things about which we quite legitimately asked a whole series of questions. The department said: 'No, we can't answer that; it's advice to government. We can't do this, that or whatever.' I thought: 'But I have the advice that the Clerk of the Senate provided to the then opposition; surely if it was good for them it must be good for us.' It lists unacceptable grounds for public interest immunity, one of which is advice to government. I quote:

...the mere fact that information consists of advice to government is not a ground for refusing to disclose it. Again, some harm to the public interest must be established, such as prejudice to legal proceedings, disclosure of cabinet deliberations or prejudice to the Commonwealth's position in negotiations. Any general claim that advice should not be disclosed is defeated by the frequency with which governments disclose advice when they choose to do so.

I thought, 'I am pretty new but I have something here that I can use to hold the government to account and get information that, as a senator and a committee member, I think the people of Australia are entitled to.' But, no, the chair refused to assist me in getting the officer to properly respond. The government's own guidelines, put in place in 1989, require that claims of public interest immunity can only be made by ministers. I raised this. I said, 'Only a minister can make this claim of public interest, in accordance with the government's official guidelines for witnesses before parliamentary committees.' The secretary of the department at the table said, 'No, this is not a matter for the minister. We are just not going to answer it; it is advice to government.'

I have example after example. I could tell you about the experience I have had with the Senate Select Committee on Fuel and Energy. We requested information from the Treasurer about the modelling for the Carbon

Pollution Reduction Scheme. The request has been going backwards and forwards since December 2008 and there have been two orders of the Senate, but the government, to this day, have not provided a proper explanation as to why it is not in the public interest for a whole range of information to be provided. They claimed commercial interest in relation to a very small proportion of the information requested and then made the blanket statement: 'Sorry; we can't provide you any of it because of commercial interests'—without actually justifying where the commercial harm would be. We on this side of the chamber do not think it is in the public interest for the Senate to allow that secretive trend in this government to continue. We think that this government should embrace the openness, transparency and public accountability that they profess in their public statements, and this motion provides the process to do so.

After three or four further Senate estimates and some further inquiries—and a lot of the players in those inquiries are actually in this chamber right now—a chair of a committee actually made a ruling on me to say that I was not allowed to ask for a particular issue to be referred to a minister and that I was not allowed to insist on a statement as to why it was not in the public interest for a particular piece of information to be provided to the committee. I am actually not being critical of the chair, because it is currently the situation that we have pieces of advice and past resolutions everywhere. We have a very disparate range of piecemeal documents and I suspect that people are getting a little confused as to what the proper process and procedures are. What is the established Senate practice and procedure? There will always be times when new people come in to the Senate. They are going to face all these problems of trying to find out how to get the information and documentation out

of the government that they need in order to properly scrutinise its activities. And rather than have this piecemeal series of resolutions all over the place, Senator Ludwig is quite right: this particular resolution seeks to both reaffirm and consolidate those past resolutions into one easy location so that there is a very easy reference available. When we are next at a Senate estimates committee and an officer of a department or a minister inappropriately refuses to explain why we are not entitled to a particular piece of information or why it is not in the public interest to provide a particular piece of information, then we can point to a continuing order of the Senate and it will be there—there will be a process which will very clearly outline how the officer or the minister has to deal with it.

We are not prejudging the merits of a particular claim. We recognise that there will be occasions when we might want access to more information than would be appropriate, and all the government has to do is to explain why, in the government's judgment, it is not in the public interest to provide that particular piece of information. When I say 'public interest' I am not talking about the political interests of the government. If I can go back to my example earlier, why was it not in the public interest for the government to reveal information about discussions they had in government about changes to the private health insurance rebate? Clearly it was not in the political interests of the government but I think there is a serious question mark as to whether there was a proper and legitimate public interest ground. In any event, after we were continuing to bang our heads against the wall and many of my colleagues were facing similar problems, we decided there was a very clear case to consolidate and reaffirm all of these past Senate procedures and practices into one single resolution. For the benefit of all senators, I sought advice from the Clerk on essentially summarising the

effect of my motion, because I think that the minister's statements in relation to my motion are somewhat misleading and I do not think they should stand as a record in their own right. So I seek leave to table the advice that was provided to me by the Clerk of the Senate which very clearly, in four or five pages, articulates the effect of my motion.

Leave granted.

**Senator CORMANN**—To summarise the principles of this motion, if officers consider that there are public interest grounds for not providing information, they should state those grounds. It is very simple: they should state those grounds. If they cannot do so or if they feel uncomfortable in doing so, they should refer the matter to a responsible minister if they are requested to do so. At the end of the day, the final decision on whether to claim a public interest ground for not disclosing information should be made by a minister, with a statement of the ground, and ultimately only the Senate itself can determine whether the claim is accepted. As I have said before, these principles are actually also contained in the government's own guidelines for Public Service witnesses before parliamentary committees, which have been in force since 1989. But secretaries of departments—Commonwealth officials—conveniently forget. Government senators chairing estimates committees are not all that enthusiastic about enforcing the rights of individual senators in those committees. They are always on the lookout for how they can protect the best interests of their government. So having this in one single motion as a continuing order of the Senate will provide some clear guidance to all people involved in the various aspects of the Senate committee process as to how any claim that public interest would prevent the release of a particular piece of information should be dealt with.

Importantly, the proposed order would not affect the existing rights of Public Service witnesses to take questions on notice and to refer questions to senior officers or ministers. Essentially, the purpose of this motion is to provide everyone with a clear process for raising and dealing with public interest immunity claims and to avoid the sometimes confused discussion that diverts committee hearings when officers and committees are not sure what to do about an apparent refusal to answer a question. At the most recent Senate estimates committee inquiry, I asked a particular question and the Commonwealth officer said, 'Well, it is advice to government. I am not going to answer it.' I said, 'If you're not going to answer it, you have to give me a proper explanation.' The officer said, 'My answer is that I am not going to answer it.' So you end up in this circular argument. The bottom line is this: this government have an opportunity to actually demonstrate that it is not just rhetoric when they talk about open, accountable and transparent government. They have an opportunity to embrace this motion and if they do so, then, with our support, they will be a better government for it.

Question agreed to.

### COMMITTEES

#### Procedure Committee

##### Report

**Senator McLUCAS** (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (5.29 pm)—I seek leave to amend the motion standing in my name.

Leave granted.

**Senator McLUCAS**—I move the motion as amended:

That, effective on 14 May 2009, standing order 25 be amended to read as follows:

#### 25 Legislative and general purpose

- (1) At the commencement of each Parliament, legislative and general purpose standing committees shall be appointed, as follows:

Community Affairs

#### Legislation Committee

#### References Committee

Economics

#### Legislation Committee

#### References Committee

Education, Employment and Workplace Relations

#### Legislation Committee

#### References Committee

Environment, Communications and the Arts

#### Legislation Committee

#### References Committee

Finance and Public Administration

#### Legislation Committee

#### References Committee

Foreign Affairs, Defence and Trade

#### Legislation Committee

#### References Committee

Legal and Constitutional Affairs

#### Legislation Committee

#### References Committee

Rural and Regional Affairs and Transport

#### Legislation Committee

#### References Committee.

- (2) (a) The legislation committees shall inquire into and report upon estimates of expenditure in accordance with standing order 26, bills or draft bills referred to them by the Senate, annual reports in accordance with paragraph (20), and the performance of departments and agencies allocated to them.

- (b) The references committees shall inquire into and report upon other matters referred to them by the Senate.
- (3) References concerning departments and agencies shall be allocated to the committees in accordance with a resolution of the Senate allocating departments and agencies to the committees.
- (4) The committees shall inquire into and report upon matters referred to their predecessor committees appointed under this standing order and not disposed of by those committees, and in considering those matters may consider the evidence and records of those committees relating to those matters.
- (5) (a) Each legislation committee shall consist of 6 senators, 3 nominated by the Leader of the Government in the Senate, 2 nominated by the Leader of the Opposition in the Senate and one nominated by minority groups and independent senators.
- (b) Each references committee shall consist of 6 senators, 2 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate, and one nominated by minority groups and independent senators.
- (6) (a) The committees to which minority groups and independent senators make nominations shall be determined by agreement between the minority groups and independent senators, and, in the absence of agreement duly notified to the President, any question of the representation on a committee shall be determined by the Senate.
- (b) The allocation of places on the committees amongst minority groups and independent senators shall be as nearly as practicable proportional to the numbers of those minority groups and independent senators in the Senate.
- (7) (a) Senators may be appointed to the committees as substitutes for members of the committees in respect of particular matters before the committees.
- (b) On the nominations of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate and minority groups and independent senators, participating members may be appointed to the committees.
- (c) Participating members may participate in hearings of evidence and deliberations of the committees, and have all the rights of members of committees, but may not vote on any questions before the committees.
- (d) A participating member shall be taken to be a member of a committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.
- (e) If a member of a committee is unable to attend a meeting of the committee, that member may in writing to the chair of the committee appoint a participating member to act as a substitute member of the committee at that meeting. If the member is incapacitated or unavailable, a letter to the chair of a committee appointing a participating member to act as a substitute member of the committee may be signed on behalf of the member by the leader of the party or group on whose nomination the member was appointed to the committee.
- (8) A committee may appoint subcommittees consisting of 3 or more of its members, and refer to any such subcommittee any of the matters which the committee is empowered to consider.
- (9) (a) Each legislation committee shall elect as its chair a member nominated by the Leader of the Government in the Senate, and as its deputy chair a member nominated by the Leader of the Opposition in the Senate or by a minority group or independent senator.
- (b) Each references committees shall elect as its chair a member nominated

- by the Leader of the Opposition in the Senate or a member of a minority group in the Senate, and as its deputy chair a member nominated by the Leader of the Government in the Senate.
- (c) The chairs and deputy chairs to which members nominated by the Leader of the Opposition in the Senate and members of minority groups and independent senators are elected shall be determined by agreement between the opposition and minority groups and independent senators, and, in the absence of agreement duly notified to the President, any question of the allocation of chairs and deputy chairs shall be determined by the Senate.
- (d) The deputy chair shall act as the chair of the committee when the member elected as chair is absent from a meeting of the committee or the position of chair is temporarily vacant.
- (e) When votes on a question before a committee are equally divided, the chair, or the deputy chair when acting as chair, shall have a casting vote.
- (f) The chair, or the deputy chair when acting as chair, may appoint another member of a committee to act as chair during the temporary absence of both the chair and deputy chair at a meeting of the committee.
- (10) The chairs of the committees, together with the chairs of any select committees appointed by the Senate, shall constitute the Chairs' Committee, which may meet with the Deputy President in the chair, and may consider and report to the Senate on any matter relating to the operations of the committees.
- (11) Except as otherwise provided by the standing orders, the reference of a matter to a committee shall be on motion after notice, and such notice of motion may be given:
- (a) in the usual manner when notices are given; or
- (b) at any other time by a senator:
- (i) stating its terms to the Senate, when no other business is before the chair, or
- (ii) delivering a copy to the Clerk, who shall report it to the Senate at the first opportunity; and shall be placed on the Notice Paper for the next sitting day as business of the Senate and, as such, shall take precedence of government and general business set down for that day.
- (12) Matters referred to the committees should relate to subjects which can be dealt with expeditiously.
- (13) A committee shall take care not to inquire into any matters which are being examined by a select committee of the Senate appointed to inquire into such matters and any question arising in this connection may be referred to the Senate for determination.
- (14) A committee and any sub-committee shall have power to send for persons and documents, to move from place to place, and to meet and transact business in public or private session and notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives.
- (15) All documents received by a committee during an inquiry shall remain in the custody of the Senate after the completion of that inquiry.
- (16) A committee shall be empowered to print from day to day any of its documents and evidence. A daily Hansard shall be published of public proceedings of a committee.
- (17) A committee shall be provided with all necessary staff, facilities and resources and shall be empowered to appoint persons with specialist knowledge for the purposes of the committee, with the approval of the President.
- (18) A committee may report from time to time its proceedings and evidence taken and any recommendations, and



shall make regular reports on the progress of its proceedings.

- (19) A committee may authorise the broadcasting of its public hearings, under such rules as the Senate provides.
- (20) Annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:
- (a) Examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory.
  - (b) Consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration.
  - (c) Investigate and report to the Senate on any lateness in the presentation of annual reports.
  - (d) In considering an annual report, take into account any relevant remarks about the report made in debate in the Senate.
  - (e) If the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates.
  - (f) Report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.
  - (g) Draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports.
  - (h) Report to the Senate each year whether there are any bodies which do not present annual reports to the

Senate and which should present such reports.

Question agreed to.

### COMMITTEES

#### Legal and Constitutional Affairs Committee

##### Report

**Senator FARRELL** (South Australia) (5.29 pm)—On behalf of the Chair of the Senate Standing Committee on Legal and Constitutional Affairs, Senator Crossin, I present the final report of the committee on the provisions of the Native Title Amendment Bill 2009, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

#### AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP BILL 2009

#### AUSTRALIAN BUSINESS INVESTMENT PARTNERSHIP (CONSEQUENTIAL AMENDMENT) BILL 2009

##### Second Reading

Debate resumed.

**Senator IAN MACDONALD** (Queensland) (5.30 pm)—Just before lunch, I was speaking on the Australian Business Investment Partnership Bill 2009 and I was reminding the Senate how incompetent the Labor Party is in managing any economy. I was drawing from the budget last night which has told Australians that there will be a record net debt incurred by this government of \$188 billion, which will have to be repaid by someone. I think the public thinks that these are just figures that politicians and newspapers talk about, but actually they have to be repaid by someone. It will be not only this generation but this generation's children and grandchildren who will have to pay off

Labor's financial profligacy in running up this \$188 billion debt.

In this budget alone there is a \$58 billion deficit. That is just incredible when you think that the last coalition budget left a surplus of some \$20 billion. The Labor Party have turned that \$20 billion around by \$58 billion in less than 18 months. Two-thirds of that debt is due to spending decisions made by the Rudd government—by Mr Rudd and Mr Swan—in the last 18 months. So they cannot blame everyone else, as they are prone to do. It is all somebody else's fault, they will tell you. But it is spending decisions of theirs that have run up two-thirds of that debt that we will all have to pay off.

Every year we as a nation, we taxpayers, will have to pay some \$8 billion in interest payments on Mr Rudd's debt. How many schools, hospitals and roads does that mean will not be built because we are spending the money on paying off Mr Rudd's interest bill? In his own budget papers Mr Rudd even acknowledges that unemployment will increase to one million of our fellow Australians. This is getting back to the Keating and Hawke days when unemployment was in the double-digit percentage figures. One million of our fellow Australians will be unemployed.

I was saying, before we had to adjourn at lunchtime, that with a record like that and the record of the state Labor governments, with every one having real financial problems—and they were having financial problems before the global financial crisis, I might say—why would we as a parliament be giving the Labor Party more opportunities to waste our money with this bill before the chamber at the present time? I was saying just as we adjourned that Mr Rudd had a thought on the run, which is usually the case. He thought of a way he could get a headline the next day. He announced that he would enter into the banking business in conjunc-

tion with the four big banks by propping them up in relation to any foreign investments that might retire from Australia for various reasons. But that reason was shot down by no less a body than the Reserve Bank of Australia who, as I quoted just before lunch, had said that that was not happening at the present time and that there was little sign of it happening. As I asked then, why are we bothering with this?

I can say that one of the reasons there will be a dearth of investment in Australia from foreign banks and foreign investors in the future will be this crazy emissions trading scheme that Senator Wong and Mr Rudd have proposed. We are not quite sure what the latest iteration of the emissions trading scheme is; it seems to change daily. I cannot help but feel sorry for Senator Penny Wong for the humiliation she has suffered in having her grand plan for a Carbon Pollution Reduction Scheme overturned by Mr Rudd, who is not quite taking it back—although it is getting along those lines—to the scheme proposed by Mr Howard in the last government. I would venture to wager that, by the time Mr Rudd has finished, for all his pious words before the election and for all his toadying up to the Greens to get their second preference support in the last federal election and for all of those promises he made, he will end up with a scheme very much the same as Mr Howard was proposing in the last government.

The reason there will be a dearth of investment in Australia is that companies in the aluminium, coal and cement areas are all multinational companies that can invest anywhere in the world, and many of them have other plants, mines and facilities elsewhere in the world. They will simply not invest in Australia because to invest in Australia will mean that you have to have an extra tax, an extra burden, on your coalmining, aluminium and cement operations that

many other countries do not have—like our big competitors in the export of coal, such as Colombia, Indonesia and South Africa. These are countries which are not going to have emissions trading schemes.

Sure, we all have to do our bit to reduce emissions, but this scheme proposed by Senator Wong and Mr Rudd will not reduce emissions one iota. It will just mean that those highly emitting industries will move away from Australia's fairly tight regulations to countries where there are no regulations at all. So you will not save the world from any emissions; in fact, you will increase the emissions from other countries which do not have Australia's good regulations. At the same time, you will be exporting the jobs of Australian workers—those working families that Mr Rudd was so keen to look after before the last election. But he gets into power and he sends their jobs to Indonesia, South Africa and Colombia and he plans in this budget for one million people to be out of work. And it will get worse with this crazy emissions trading scheme, unless good common sense prevails and Mr Rudd accepts and acknowledges the error of his ways. In spite of Senator Wong's objection, he has already half admitted that. But we can only hope that, in the end, he will do what is right for Australia and say, 'Let's reduce our emissions when others are doing it, so we are not exporting emissions offshore and we are not exporting the jobs of hardworking Australian families and their providers offshore.'

When it comes to financial management, this particular piece of legislation is as crazy as anything else that the Labor Party touches. It has been said of this bill that it will have a counterproductive effect on what Mr Rudd is proposing. In fact, Mr Peter Verwer, from the Property Council of Australia, pointed out: 'The security of a taxpayer funded safety net will allow foreign banks to exit at full value

of their investment. It is the strongest argument against this bill.' He further said:

... we do not have the technical answer as to how we can make sure foreign banks do not try and use ABIP as their escape card from Australia.

So it is having the exact reverse effect. Madam Acting Deputy President, if time permitted—and unfortunately it does not—I could list many other reasons why this piece of legislation before us is as crazy as the budget we saw last night. It does nothing for Australia. It helps a few of the Labor Party's mates in big business. They have mates in big business, in big unions and in the state governments, but they are using the money of other working Australians to prop up these crazy schemes and to bring forward the sort of budget we saw last night. This bill deserves no support from this chamber and it certainly will not be supported by the coalition.

**Senator RYAN** (Victoria) (5.40 pm)—I rise tonight to join with my colleagues and oppose the Australian Business Investment Partnership Bill 2009 and related bill, known these days as the Ruddbank, joining the Ruddnet, all funded by the Rudd debt. This is a reckless proposal that represents a significant backward step for our nation. One would think that 1949 would have taught the Labor Party that government and banking do not mix. But they are not quick learners. They should have also learnt from Victoria, South Australia and Western Australia in the early 1990s that government going into banking, particularly commercial banking, especially if it involves the Labor Party, leads some to benefit at the expense of many, to the cost of Australian taxpayers now and into the future. It is nothing less than a recipe for economic disaster. Indeed, unlike in other nations, the Australian government have not been required to step into bank management over the past 18 months. This is the direct result of the actions of the former coalition

government that ensured our banks did not get themselves into the trouble that we have seen develop overseas.

This was the result of two specific actions. The first was the regulatory regime put in place by the former coalition government that ensured our banks and other authorised deposit-taking institutions did not overextend themselves as they have in other countries. Similarly, the strong economy delivered by the previous government and, in particular, the elimination of government debt ensured that there was confidence in the markets for Australian debt. Australian taxpayers today are billions of dollars better off due to these measures. But there are myriad problems with this bill and, indeed, with this proposal in general.

Firstly, this bill is simply the result of government mismanagement. The fact that corporations may have trouble refinancing in the short and medium term is the direct result of this government's unprecedented borrowing spree. It is no surprise that a government borrowing more than \$2 billion a week is crowding out the debt markets. Despite this government believing that it can suspend the basic principles of economics, a government wading into debt markets and soaking up record amounts of liquidity and unprecedented amounts of debt must directly impact the ability of other, non-government bodies to refinance and gain access to the debt markets.

Similarly, the impact on property lenders of the ill-thought-out unlimited bank guarantee put in place by this government has been well outlined elsewhere. In essence, this reckless measure is attempting to fix a problem that the government itself is partly responsible for creating. The alleged threat of foreign banks exiting the Australian market—yet another example of this government intentionally running a scare campaign to

justify its own desires to intervene in Australian life—has been repudiated by the Reserve Bank, as was outlined by my colleague Senator Macdonald.

This proposal also creates a significant moral hazard. It effectively underwrites that very action which the government claims it is trying to address. It rewards those seeking to withdraw with the full value of their investments and it may even accelerate that very problem. Why should taxpayers underwrite those financiers who wish to exit with a government-backed guarantee so that they can exit investments at no cost, with the cost borne by the Australian taxpayer? There is simply no justification to underwrite corporate and banking balance sheets, whether domestic or foreign, with the resources of Australian taxpayers now and into the future.

There are also many issues of governance with this bill. There has been no sufficient explanation of why Ruddbank should be exempted from the competition provisions of the Trade Practices Act. While there are many specific problems, including how this may lead to anticompetitive actions or prevent a ban on anticompetitive action by the Ruddbank, there is a more general principle at stake here. Why should this body, alone in the market in which it operates, be exempt from the legal provisions that impact on and restrict the actions of everyone else? It is a very poor principle to exempt one organisation in a market from general laws that apply to every other person in that market, especially when a body operates with a government mandate and a government guarantee of its funding.

As a taxpayer it is legitimate to ask in whose interests the directors of Ruddbank will act. Will it be the banks who appoint them? Will it be the government who appoints its own member? This lack of independent board members leads us to ask

whom they represent—taxpayers and shareholders or the bodies who appoint them. Furthermore—and this is particularly important—does the government appointee represent the government or the taxpayers? We have had no answer to that question. While this difference may be too subtle for this government to notice with its reckless squandering of taxpayer funds now and in the future, it is a critical question for those who are underwriting this bank—the current and future taxpayers of Australia. Without sufficient checks and balances, this bill represents a massive opportunity for political patronage.

It is fair to say that the ALP and property developers need no introduction and, if the government were serious about allaying concerns about political patronage, it would put in place provisions to prevent this happening. It would pledge that it will not be used to support those who make donations to the Labor Party—but I am not going to lie awake tonight awaiting that promise. There is also no guarantee whatsoever that this bank—and it is a bank in the common meaning of the term, despite its typically Orwellian title of ‘partnership’—will ever be wound up. There is no specific commitment or time line from the government in this regard. It is not unreasonable, therefore, to assume that this betrays the lack of commitment to ever winding this body up.

In regard to the specific provisions of this bill, there is no detail about what the so-called test of ‘financial viability’ entails. It is not defined and it strikes me as a paradox. Apparently, along with government, people who represent organisations which have presumably declined an opportunity to participate in a financial venture will sit around a table and deem something to be financially viable when no-one else will—indeed, when their own organisations have likely refused such an opportunity. It is like heading to the

casino with someone else’s money, but that is no surprise with this government.

This leads me to my in-principle objection to this bill. It is simply wrong to gamble with the money of taxpayers, both those of today and those long into the future, in commercial arrangements such as this. Taxpayers’ money should not be put at risk to support a specific, government nominated industry. As I mentioned earlier, it is a sad sign of the lack of memory in this government. Just as they have forgotten the pain caused by the excesses of Whitlam, they have also forgotten the pain of Victorians and South Australians due to the reckless actions of banks under John Cain, Joan Kirner and John Bannon. The government simply should not be in the business of banking and it should specifically not be in such a volatile sector as the commercial property market. The Treasurer’s office admitted the risk of undertaking this in a report when it said:

The commercial property sector can be particularly vulnerable in a downturn in the economic cycle.

All the best wishes in the world cannot protect such an entity from making bad decisions. Such decisions should be undertaken by those best positioned to do so, those who will bear the risk and the reward of the activity in question. I doubt whether the managers of Tricontinental and the state banks of Victoria and South Australia thought they were making bad decisions at the time. Some will say comparing this to those banks is alarmist, but the final cost to taxpayers in those states of those ventures came to over \$6 billion and the end of a century of a stable banking business focused on depositors and home lending. It is the figure that is alarmist, although to this government \$6 billion is merely trifling these days. It is clear the Labor Party has not learnt these lessons and the cost of those poor decisions was borne by the taxpayers of Victoria and South Australia for

years. Indeed, it is still borne today through the opportunity cost of services not delivered, roads, hospitals and schools never built. We have private banks for a reason. They risk shareholders' money. To those who raise the issue of the government guarantees, I hasten to add that those measures protect depositors and lenders, not shareholders, and those measures are—many of us hope—temporary ones.

The Ruddbank gambles with taxpayers' money in an extraordinary fashion. While the government and four major banks each contribute \$2 billion in capital, it is authorised to borrow a further \$26 billion. But the risk is all with taxpayers with these borrowings while any upside is shared between the partners. No wonder the banks think it is a good idea for them and their shareholders—heads I win, tails you lose. It is extraordinary that a government would propose to risk that amount of taxpayers' funds with a business partner, but that business partner shares none of the risk. To do this in a vain attempt to artificially hold up asset prices is futile. The government can no more hold up asset prices than it can change the direction of the wind. It has not worked and it will not work in the future.

Most alarmingly, this proposal is not limited to commercial property, as is often stated by the government, as bad an idea as that is. There is no detail around what other spheres of activity the Ruddbank may venture into. The bill could see loans to state governments, companies and projects in other fields completely unrelated to commercial property. I fear that this is yet another example and another means by which a headline debt figure is artificially lowered through moving it into off-balance-sheet corporate entities away from the government budget but still carrying risk for taxpayers. Labor is well practised at this art through its

behaviour across Australia in the eighties and over this past decade at the state level.

This bill represents a retrograde step. It is a very simple issue that many of us thought resolved over a decade ago—that governments should not be in the business of banking. It is a bad idea, poorly executed by an incompetent government. The coalition will defend the interests of taxpayers across Australia in rejecting this bill.

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) (5.50 pm)—I rise tonight to endorse the comments of my colleague Senator Ryan on the Australian Business Investment Partnership Bill 2009 and the Australian Business Investment Partnership (Consequential Amendment) Bill 2009 and to be specific in a number of areas. The first area is the government moving itself into a contingent liability on a very specific sector of a market. Having had some experience in banking, I think it is peculiar that you would say, 'I only want to expose myself to one sector of the market—that is, the commercial property market—and I am only going to expose it to the extent that other people do not want to take those deals on board, and then I will use the government to underwrite it.' That is strange.

We have heard in reports that people have said that the foreign banks will leave, so I have been following that through. The Royal Bank of Scotland was said to be leaving. I have a letter from the Royal Bank of Scotland saying it has no intention of leaving. Apparently we have no foreign banks who want to leave. So why are we doing this? It becomes another contingent liability that sits on board for all the Australian people and they are just mounting up. You have this ridiculous debt building up. It is heading towards \$300 billion. In fact, if we go through the forward estimates, the total liabilities are now half a trillion dollars. That is excep-

tional for Australia—it is bizarre—and then you are adding to that these contingent liabilities. You are underwriting the subprefecture debt of the states of \$150-plus billion. The possible contingent liability, though I think it would be as safe as houses, would be \$600 to \$800 billion of the commercial banks.

Now we have the proposition of potentially another \$28 billion contingent liability. If you keep taking on contingent liabilities, what happens in the end? If you guarantee every child in the district, in the end one of the children goes bad and you actually have to pay the money. People say that is extraordinary, but it is not. We have had the Tricontinentals and we have had the experience of the Bank of SA, so these things do happen. First and foremost, why are you taking on a contingent liability which, with greater foresight, there is no need for? If there were foreign banks leaving you could mount a case, but that is not happening. In fact, the only one you could cite is the Royal Bank of Scotland, and I have a letter from them saying they are miffed that the insinuation was put that they were leaving, because they are not. They are hanging around and there is a marketplace out there willing to deal with this, so you should at least keep a spread on this.

I do not know why we have this exemption under section 51(1) of the Trade Practices Act. Why this one entity, which probably has more reason than most to be covered by the Trade Practices Act, is all of a sudden exempted from the Trade Practices Act is a peculiarity in the extreme. You have the four major competitors in what is more and more a centralised market working together in the same room, saying: 'We can keep an eye on all these deals as they come in and get knowledge of where the strong and weak areas of the market are. Then we can take that information on the regional banks'—like the Bank of Queensland—'and the overseas

banks and use it against them.' If these deals go into this Labor inspired Ruddbank, the Australia Business Investment Partnership, at some point they will have to come out, and do not think for one moment that the person who is sitting in the assessment process who has an allegiance, an alliance—a future—with one of the majors will not take that information back to where he came from and say, 'Touch that deal; don't touch that deal.' These are the issues that jump off the page and make you question why we are going down this path. It seems highly ill conceived.

In the short run there are no foreign banks leaving us. In the long run you are picking up a contingent liability and giving someone, for no apparent reason, an exemption under section 51(1) of the Trade Practices Act, and then we have the specific exemption of the government's nominee under the Trade Practices Act. What sort of oversight have we got on this? This will set up another one of those government appointed mandarins. You say, 'He will be beyond reproach,' but it just does not happen. They come under political pressure. A politically appointed person is subject to political pressure. I think we have to be a little bit more honest about this and acknowledge that people have in the back of their mind, no matter what their appointment, the fact that they are an appointee of the government and therefore do not try to upset the government too much. Every time you go to Senate estimates you see that in fine form. People go out of their way to keep the government of the day happy, and it always surprises me how quickly they can change their allegiances.

Suncorp, for instance, are getting out of the commercial property market at this point in time. Why? Probably because they are in trouble in the commercial property market. I do not know why, but they have made a strategic decision to get out, so Mr Rudd is putting the Australian people in. Who benefits

from this? Why don't we have the small business farming bank? Maybe they have a good reason to have a bank of their own. Then we could have the fishermen of the gulf bank, and then we could have the local Greek cafe bank. Why do we just pick one sector of the market and say: we are going to do something extraordinary for these people—and we are talking tens of billions of dollars extraordinary!

You have to ask: who are the beneficiaries of this? Which group of people is likely to benefit from this? The answer is the people who can use this to bargain with domestic banks and foreign banks and say, 'You will give us a deal or I can go somewhere else,' and they would be the large property developers, quite obviously. If you follow the smell you will get to who inspired this little pearl. Obviously you also have the major shopping developers who are midway through programs, as well as the major commercial property developers who, in most instances, have highly unionised workforces. So it becomes a nexus of beliefs and structure. That is fine, but do not use the nation's money for it and say, 'The sky's falling; therefore I'm going to set up a bank.'

We do have a major financial issue before us at the moment, but Mr Rudd has shown this peculiarity over the last 18 months or so to use it as the bullbar on a whole plethora of ridiculous ideas, and we have to pull this up. Day by day we have got ourselves as a nation into more and more of an immense financial pickle, and it is because of the current management structure that we have. That is how we ended up here. Of course there would be an element of debt and we would probably be heading towards a deficit, but not on the trajectory that the Labor Party has us on.

At Senate estimates back in February, Mr Hyden from the Australian Office of Finan-

cial Management said that we would have the \$200 billion facility for our nation fully drawn by 2012-13. It will be basically fully drawn, I would say, within the next eight to nine months, so we are out by about two years. Because this is so recent, you cannot blame anybody else for this but yourselves. In the budget you brought forward nothing that actually deals with the issue in a substantive way. It is a budget that clearly fails to grasp the nettle. You say you believe the circumstances are dire, but there is nothing in the budget to suggest that you are going to take action to deal with them, and so this becomes yet another straw to add on.

Quite obviously, in any assessment of our nation's credit position, all contingent liabilities have to be taken into account by the credit assessment agencies—they have to look at it—and, every time you take on a contingent liability from a source that is outside your control, you have faith in the fact that it will not come unstuck. If, for instance—since we have underwritten the banks—there becomes, by reason we do not know, some mechanism that starts to cast doubt on that, it would immediately go onto our bottom line. You cannot think that you have an infinite capacity to underwrite every issue, every nebulous cause that pops up. In the end, the underwriting itself would start to lose meaning. You can only create a contingent liability for so many things before your contingent underwriting of that issue is without effect. So taxpayers are at risk because of this and, in the long term, every person who borrows money in Australia is at risk, not exclusively because of this but, with the way the Labor Party does it, because of a whole basket of ridiculous decisions. It all adds up to a bad outcome for any person who is borrowing money because the underwriting of the government starts to call into question the quality of the credit and the capacity for it to keep its rating. If it starts losing its rat-



ing, the price of credit goes up and then it goes up for everybody across the board.

There are a few things you have to look at. At the very least there should be a continual review process on exactly where this is going with competition issues. There should be an expectation, tabled in both this chamber and the other place, of a report from the ACCC clearly spelling out exactly what the competition issues are and holding these people to account. There has been some musing about that but I have not seen it. Maybe it is going to turn up; I do not know. These are the sorts of things that should be there. I still would not support the legislation, but it is surprising that there is no ongoing contingent monitoring process. In the future how do we sell to other sectors that are just as relevant as the commercial property market what they are going to do for finance? They are just as worthwhile as anybody else.

What we really want to know is: where was the inception of this legislation? It was incredible. I think there were about four days between the Prime Minister talking about the issue and this legislation turning up. Did it come to the Prime Minister in his sleep one night or did he have discussions with a range of people to inspire the creation of this bank? Who were those people and what did they say? Maybe, in the past, you would have said that you should not ask those sorts of questions, but I ask all those questions of our Prime Minister now that I have heard that he had dinner with the fifth highest official of the Communist People's Republic of China and the only way we found out about it was through the Chinese news. Since that event, we ask questions on everything about our dearly beloved Prime Minister. So where was the inception of this? You have to come clean; we have to know: who were the discussions with and where was the dinner party where this was conjured up?

It terrifies me that our nation walks towards half a trillion dollars in liabilities—those are your own budget figures, your own forward projections. When is the penny going to drop that we just cannot go on like this?

**Senator Brandis**—When there's a change of government.

**Senator JOYCE**—Yes. When is the penny going to drop that this money is actually somebody else's money? We have heard about the netting off effect. Let me tell you some of the things against which they net off this debt. They net off the debt against HECS debt, for one. How reliable is that as something to net your debt off against? Are you going to rely on someone who has disappeared into the ether owing the government money and say, 'Well, as to the money we owe on the bond market to people from the People's Republic of China, Saudi Arabia and Japan and the smaller and smaller group of wonderful citizens who actually want to buy these bonds, we're going to net off the very real debt to them against HECS debt.' It just does not stand to reason. The only thing that is absolutely fundamental and real is that you issue a bond or a note and the world looks to you and says, 'You will repay it or you'll be the next Iceland or the next Ireland.'

As we head towards \$300 billion of these out there—and we have said that, in exactly the same real form, there is \$150 billion-plus of subprefecture debt of the states, which is real money, owed to real people who have a real expectation of repayment—we are starting to get to some very scary numbers in the very immediate future. And then, if we start to look at a reasonable cost to funds—six to seven per cent—we are going to be looking at \$27 billion just in interest—real money that has to be paid. You can net it off all you like but the fact is that, somewhere, you are

going to be sending a cheque off for that money and, if you do not have that money, watch out. A position—and I think we are there—where we cannot repay the interest and we actually have to borrow more money to pay it is, if you are dealing with the bank, economic palliative care. As I said before, that is ‘goodnight Irene’; you cannot even pay your interest. What is more, when the proposition of that is coming forward, surely that is the time you come up with an extremely dynamic statement of an exit strategy, whether that is assets you are going to sell, absolutely fundamental change in the way your expenditure is going forward or a more efficient way to run government. If you do not have the courage to grasp the nettle and do that, if you believe you are just going to manage the debt, you are entirely misguided, because you will get to a point where the debt will manage you. It does not matter what you want—that is irrelevant—because how you deal with it will be forced upon you. People always believe that there is an out clause, and the out clause is quantitative easing. Of course, once you get into the process of quantitative easing and of printing the money, your money is worthless. You become a complete financial basket case.

I remind the chamber, in closing, of what I said earlier today. I remember very clearly when California had a deficit of \$42 billion. They were financially illiquid, they could not pay their public servants, there was huge dislocation, there was a lack of capacity to pay the hospitals and a whole range of things. It all started collapsing in on itself. Arnold Schwarzenegger made a statement along the lines that he had to remove the deficit, as it was like a rock on his chest and he could not breathe with it there. We are beyond their deficit and we do not have the dynamism of California, which, if it were its own country, would be the fifth biggest economy in the world.

*Senator Conroy interjecting—*

**Senator JOYCE**—The seventh, sorry. It would be the seventh biggest economy in the world. We do not have Silicon Valley. We do not have Hollywood. We do not have diamonds in our economy. But we do not seem to understand the problems that we have got ourselves into.

My statement to Treasurer Swan and Prime Minister Rudd is: ‘For goodness sake, you must start to do something substantive to turn this around, because if you don’t it will go to the tipping point of no return, and do not think that that tipping point does not exist. We are getting very close to it.’ Even Dr Gruen of the Treasury was quizzed and quizzed and asked: ‘What is the point, when people, even in their wildest beliefs, never thought that the Labor Party would get to a position where they would be asking for beyond \$200 billion?’ I asked: ‘How much debt can Australia have?’. The Treasury officers said, ‘We cannot really give the number to you.’ I asked: ‘Can we have a trillion dollars?’ They laughed and said: ‘Don’t be ridiculous. That would be outrageous.’ I said: ‘Let’s get to a rough number. What is the extent of debt that would mean that it is all over; it is all finished?’ They finally said, ‘About 80 per cent GDP.’ We are a \$1.2 trillion economy, so we get to \$900 billion in debt and it is all over. Let us start adding them up. You have \$300 billion. You have underwritten the states for another \$150 billion. You have the Ruddbank with a possible contingent liability of \$38 billion. You have Broadband Connect, which is \$42 billion, most of which you will have to get from the government in bonds. That is incredible. Within the term of one government—and we are not even to the end of it—you are half-way towards ‘lights out’ and we have not even got to the next election.

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy) (6.10 pm)—in reply—I thank honourable senators for their contributions to this debate—

**Senator Brandis**—Come on, Stephen, defend the indefensible!

**Senator CONROY**—and welcome Senator Brandis's interjections and participation. The Australian Business Investment Partnership Bill 2009 and the Australian Business Investment Partnership (Consequential Amendment) Bill 2009 are an important component of the government's efforts to help cushion Australia from the worst global financial and economic environment Australia has seen since the Great Depression. This environment is challenging on a wide variety of fronts. ABIP is a temporary contingency measure to address the risks that some financiers, particularly foreign banks, may reduce their level of financing of viable Australian businesses. We hope that foreign banks do not reduce their financing of Australian businesses, but we need to be prepared. That is why, on 24 January 2009, the Prime Minister and the Treasurer announced the government's commitment to establish ABIP.

ABIP will provide stability and confidence to the commercial property sector and to the financial system and will help protect Australian jobs. The commercial property sector employs around 150,000 workers and is an important investment asset for superannuation funds and, through them, everyday Australians. The government has designed ABIP very carefully to ensure it meets a well-defined economic need, with appropriate safeguards to protect taxpayers. ABIP will have strong governance and accountability arrangements. The government will appoint the chair of ABIP and the Auditor-General will be ABIP's auditor. I would add that the Treasurer recently announced the

government appointment of Mr David Borthwick, a very senior former public servant and an exceptionally well-qualified individual, to be the government's nominee and chair of the ABIP board. Mr Borthwick is highly experienced and exceptionally well qualified for the job, with a distinguished and highly relevant Public Service career.

The government welcomes the amendment that allows Mr Borthwick to be supported through the addition of another government-appointed director. These are sensible and comprehensive measures to safeguard the interests of taxpayers while allowing the government to respond quickly and prudently to a potential threat to the Australian economy. ABIP will have prudent lending criteria requiring the underlying assets and the income streams from those assets to be financially viable. ABIP will have a limited life and will only be able to write loans for two years. ABIP will only provide financing if a borrower cannot obtain finance from other commercial providers. Careful consideration has also been given to ABIP's financial structure—in particular, ensuring that taxpayers receive a guaranteed fee if ABIP ultimately issues any government guaranteed debt. All resolutions of the board are required to be unanimous, with the exception of enforcement resolutions, where an 80 per cent majority will be required, provided the government chair is part of the majority. We will be required to table the company's financial reports, directors' reports and auditor's report for each financial year in each house of the parliament as soon as practicable after receipt.

I would like to thank Senators Fielding and Xenophon and the Greens, led by Senator Bob Brown, for their contributions. Their contributions stand in stark contrast to the actions of those opposite, who have continued with their single-minded response to the worst global recession since the Great De-

pression. Because those opposite have only one response—to sit on their hands and wait and do nothing—the opposition could not even make themselves available to debate this important legislation in a timely manner. Just doing nothing is not a solution, and it will not support jobs in our economy. The government has demonstrated its willingness to respond positively to issues raised by senators to ensure this needed reform can be legislated in a way that is effective and robust. ABIP will be having lending criteria no less prudent than the lending criteria for investment grade loans that the four major banks apply in the ordinary course of their business.

We have worked with Senator Fielding to ensure this is watertight. Senator Fielding has asked whether the bill can ensure that the terms of ABIP's loans will not exceed three years. The government is willing to accept this limitation. The government understands the concerns that Senator Brown has raised—and has been raising for a number of years in this chamber—regarding executive salaries. The government understands the community and Senator Brown's concerns about excessive executive pay. That is why we have commissioned a Productivity Commission inquiry into executive pay and it is also why we have cracked down on golden handshakes. The government will continue to work with Senator Brown on this issue and the ABIP bill and, more broadly, to broaden the mandate to the PC inquiry into executive pay as appropriate. The government has designed ABIP in such a way as to take account of competition issues, but we will support the amendments whereby the Australian Competition and Consumer Commission will be required to prepare a competition impact statement and competition exemption report on ABIP. We also commit to examine the issues Senator Xenophon has raised more

broadly on the process for legislating exemptions under the TPA.

The government welcomes the amendment to allow the Export Finance and Insurance Corporation to provide ABIP with specialist assistance in meeting its objectives during its immediate set-up phase. EFIC offers an efficient and cost-effective solution with the systems, processes and infrastructure needed to meet ABIP's immediate needs during its establishment phase.

I would also like to briefly respond to some questions raised in the debate. Senator Xenophon asked about the role of ASIC in respect to ABIP. ABIP will be an unlisted public company under the Corporations Act 2001. All such companies are regulated by ASIC under the act and must comply with requirements of the Corporations Act. Any breaches or complaints about ABIP in relation to its conduct under the Corporations Act will be handled by ASIC in the same way it deals with all other companies. But ABIP will not be singled out for supervision above and beyond existing requirements of the act. In response to Senator Xenophon, I can advise that the Auditor-General may access ABIP's books at any time under existing provisions of the Corporations Act 2001. Pursuant to section 310 of the Corporations Act, the Auditor:

- (a) has a right of access at all reasonable times to the books of the company ...

And:

- (b) may require any officer to give the auditor information, explanations or other assistance for the purposes of the audit or review.

A request under paragraph (b) must be a reasonable one.

I can also confirm that the constitution and shareholders agreement will be required to be made public when finalised and then at any time either of them are amended. With-

out ABIP, there will be no safety net for the commercial property sector and the jobs and businesses it supports in the event that viable Australian commercial property assets are threatened by withdrawal of financing. I commend this bill to the Senate.

**Question put:**

That these bills be now read a second time.

The Senate divided. [6.22 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes.....	33
Noes.....	<u>31</u>
Majority.....	<u>2</u>

**AYES**

Arbib, M.V.	Bilyk, C.L.
Bishop, T.M.	Brown, B.J.
Brown, C.L.	Cameron, D.N.
Collins, J.	Conroy, S.M.
Crossin, P.M.	Farrell, D.E.
Faulkner, J.P.	Feeney, D.
Fielding, S.	Forshaw, M.G.
Furner, M.L.	Hanson-Young, S.C.
Hogg, J.J.	Hurley, A.
Hutchins, S.P.	Ludlam, S.
Ludwig, J.W.	Marshall, G.
McEwen, A.	McLucas, J.E.
Milne, C.	Moore, C.
O'Brien, K.W.K. *	Polley, H.
Sherry, N.J.	Siewert, R.
Sterle, G.	Wortley, D.
Xenophon, N.	

**NOES**

Abetz, E.	Adams, J. *
Back, C.J.	Barnett, G.
Birmingham, S.	Boswell, R.L.D.
Boyce, S.	Brandis, G.H.
Cash, M.C.	Colbeck, R.
Cormann, M.H.P.	Eggleston, A.
Ferguson, A.B.	Fierravanti-Wells, C.
Fifield, M.P.	Fisher, M.J.
Heffernan, W.	Humphries, G.
Johnston, D.	Joyce, B.
Kroger, H.	Macdonald, I.
Mason, B.J.	McGauran, J.J.J.
Nash, F.	Parry, S.

Payne, M.A.	Ronaldson, M.
Ryan, S.M.	Scullion, N.G.
Williams, J.R.	

**PAIRS**

Evans, C.V.	Bushby, D.C.
Pratt, L.C.	Coonan, H.L.
Carr, K.J.	Minchin, N.H.
Wong, P.	Bernardi, C.
Stephens, U.	Troeth, J.M.
Lundy, K.A.	Trood, R.B.

\* denotes teller

Question agreed to.

Bills read a second time.

Ordered that consideration of these bills in Committee of the Whole be made an order of the day for the next day of sitting.

**COMMITTEES**

**Community Affairs Committee**

**Report**

**Senator O'BRIEN** (Tasmania) (6.25 pm)—On behalf of the Chair of the Senate Standing Committee on Community Affairs, Senator Moore, I present a report of the committee on matters not disposed of by the current committee that will continue under the revised committee structure from 14 May 2009.

Ordered that the report be adopted.

**NOTICES**

**Presentation**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (6.25 pm)—by leave—I give notice that, on the next day of sitting, I shall move:

That the Senate supports the moves by the Minister of the Environment, Heritage and the Arts (Mr Garrett) to protect New South Wales wetlands which are the habitat of the vulnerable superb parrot from the dangers of logging.

**EMPLOYMENT AND WORKPLACE  
RELATIONS AMENDMENT BILL 2008****Second Reading**

Debate resumed from 13 February, on motion by **Senator Sherry**:

That this bill be now read a second time.

**Senator BRANDIS** (Queensland) (6.26 pm)—I rise to speak in support of the Employment and Workplace Relations Amendment Bill 2008. The bill amends the Safety, Rehabilitation and Compensation Act 1988 to provide for increased benefits payable to the dependants of an employee in a workplace covered by the Australian government workers compensation system in the event of a work related death. This will deliver better outcomes for the families of employees who work for an employer which has joined the federal government system from a previous state system which may have paid differing compensation benefits. One-off lump sum compensation payments following a work related death will increase from \$225,594 to \$400,000. Weekly benefit payments for each prescribed child of a Comcare covered employee who has suffered a work related death will be increased from \$75.10 to \$110. Future increases to these benefit payments will be defined by increases in the wage price index issued by the Australian Bureau of Statistics. Various amendments are also being made under this bill to social security laws to amend incorrect references and clarify the operation of certain provisions in the Social Security Act 1991. The bill clarifies the method of calculating the amount of youth disability supplement that is to be added to a person's rate of youth allowance and the definition of a partner with a rent increased benefit. The bill also amends the Social Security Act 1991 to extend the provisions which prevent a person from receiving payment while there is an assurance of support in force. An assurance of support is a

commitment to the government to repay certain welfare payments made to migrants during their first two years after arriving in Australia. The amendment will mean that employees who are subject to an assurance of support will not qualify for sickness allowance or single parenting payment where the assurer is willing and able to provide them with an adequate level of support and it would be reasonable for them to accept that support. It is anticipated that there will be no financial impact resulting from these amendments. The estimated cost of death benefits over the next four years will be \$6.1 million, which can be met from Comcare's existing premium pool.

Naturally the coalition is strongly supportive of safety in the workplace. It is of fundamental importance that appropriate procedures and measures be in place to protect employees from hazards to their health in the workplace. Employers have a duty of care for the safety and wellbeing of their employees, who in turn should observe the occupational health and safety measures at the workplace. However, it is a tragic fact of life that fatalities and serious injuries do occur in the workplace despite the best precautions. Nobody wants to see the occurrence of injuries or illnesses to people whilst they go about their duties. A work related death is the worst possible thing for an employee and his or her family.

It is unquestionably right that an appropriate level of compensation be paid to those who are immediately dependent upon the victim. Just as important, though, is the need to ensure Commonwealth related workplaces—indeed any workplaces—are safe places to work and have appropriate measures in place to protect employees working in potentially hazardous environments. Safe workplace environments, and practices to guard against injury, sickness or death, are

the best measures that can be offered to employees and their dependants.

The coalition has a strong record of workplace health and safety policy and compensation measures to assist people who have been injured while undertaking duties for the Commonwealth. The Compensation (Commonwealth Government Employees) Act was introduced by a coalition government in 1971, and subsequent coalition as well as Labor governments have updated and improved this legislation. The Howard government made further reforms which increased flexibility in workplace safety arrangements and aligned the Commonwealth more closely with the states and territories and most international jurisdictions. The coalition will continue to cooperate with the government to improve workplace health and safety measures and to ensure that dependants are adequately protected. We are therefore pleased to support the amendments proposed in this bill.

**Senator McEWEN** (South Australia) (6.30 pm)—I too would like to make a contribution to the debate about this important bill. The Employment and Workplace Relations Amendment Bill 2008 will amend the Safety, Rehabilitation and Compensation Act 1988 to increase the amount of death benefits payable under the Australian government's workers compensation scheme to the family of a person killed in the workplace. Additionally, the bill will amend the Social Security Act 1991 to expand the assurance-of-support qualification provisions to include sickness allowance and a single parenting payment.

The government have demonstrated our commitment to working Australians. The amendments being discussed today are just a few of the many which reflect that commitment to working Australians. Indeed, just halfway through the government's first term

of office, the government have already acted to protect workers in a number of ways. In reacting to the worldwide economic slow-down, the government introduced the Nation Building and Jobs Plan. Despite opposition from the coalition, the Labor government are determined to successfully cushion the impact of the recession on Australian workers as much as we can. Last week's release of the April unemployment figures supported that action. Despite the worldwide predictions of a further rise in unemployment, the Australian Bureau of Statistics data showed that more than 27,000 new full- and part-time jobs were created in April.

We are well aware that of course unemployment figures will rise, and we are determined to limit that rise in unemployment by preventing the worst effects of the global financial crisis into which Australia has been dragged. As well as the Nation Building and Jobs Plan and the federal budget released last night, the government recently introduced the Fair Work Bill. Yet another example of the government's priority of worker protection, the Fair Work Bill, now enacted, abolishes the former government's draconian Work Choices legislation and reintroduces some fairness and equality into the debate about workers' rights.

I am delighted to be part of a progressive government, a government that does not exploit working people, a government that stands by its commitments and a government that acts to protect workers' rights. It is with that in mind in particular that I speak on this bill today. I would welcome its speedy passage through the Senate.

I would like to focus primarily on the first mentioned amendment of this bill, which increases the death benefits for families of people killed in workplace incidents. Losing a loved one in any circumstances is devastating, and workplace deaths are perhaps even

more devastating because those deaths could have and should have been prevented. People go to work to make a living, to make life better for themselves and their families. People do not go to work with the expectation that they may be seriously injured or even killed. Everyone should expect to be able to work in safe surroundings.

After the initial shock and grieving period, many families suffer from great financial hardship following the serious injury or death of a family member in the workplace. When a regular income suddenly ceases, families can be left in strife. Mortgage payments or rental commitments, school fees, car loans, personal loans, electricity and food bills all still need to be paid. Most families rely on their work incomes to pay those bills, and an unanticipated loss of income compounds the grief felt by families of those who die at work. The government is proposing in this bill that financial compensation for affected families covered by the federal government's compensation scheme is increased. The government of course understands that nothing can be done to make up for the loss of a loved one. However, the extra certainty and security that comes from an increase in financial compensation is fundamental.

The current death benefits under the national government Comcare scheme are unfavourable in comparison to local state workers compensation schemes. Currently, compensation stands at around the \$225,000 mark. If this bill is passed, the compensation will be increased to \$400,000. This increase will somewhat bring the compensation into line with the state compensation schemes. For example, in South Australia the payment for work related death by WorkCover South Australia is just slightly less than \$420,500. Particularly under the former federal government, a large number of companies migrated from state based compensation

schemes such as the South Australian one to the Australian government's scheme. This bill will increase the amount of compensation payable and bring some parity and fairness to those families who were part of the move to the Comcare compensation scheme.

Unfortunately, you do not have to look hard to find instances of workplace deaths. From 2001 to 2006 in South Australia alone, there were 166 workplace fatalities. In a period of just five years, 166 South Australians were killed through workplace accidents. While that number is upsettingly high, it in no way reflects the number of family members and friends also affected by those deaths. Many more hundreds of family members and friends would have been affected by those deaths, both emotionally and, directly for the families, financially. The government is attempting to make those financial effects less severe for those covered by the federal legislation.

It is perhaps even more alarming when you look at the statistics of workplace deaths over a shorter period of time. I was very surprised to find that, in the six months from October last year until April 2009, 13 South Australians died in workplace accidents. Three of the most recent fatalities occurred only early last month. A 24-year-old back-packer was killed on a potato farm after falling two metres from the doorway of a harvester, and two professional fishermen lost their lives in a boating tragedy. Those deaths could have and should have been prevented. South Australia's statistics in this regard are nothing to be proud of.

Apart from the devastation wreaked on families, workplace injury and death result in a serious economic problem for the whole community. In the 2007 South Australian House of Assembly inquiry into workplace injuries and death, alarming statistics were revealed, reiterating the seriousness of the



incidents. Dr Rick Sarre, Professor of Law and Criminal Justice at the University of South Australia, indicated that the number of workplace deaths and injuries is far too high. He stated in his submission that one in 20 workers suffer a work related disease or injury each year; someone is injured seriously enough to lodge a workers compensation claim every 2.4 minutes; and 50 workers will suffer injuries each day, with five of them suffering permanent injuries.

Another South Australian researcher, Dr Kevin Purse, a Senior Research Fellow from the University of South Australia's Education, Arts and Social Sciences division, contributed to the same South Australian government inquiry. His 25 years of practical experience in the field of occupational health and safety led him to indicate to the committee in his submission that 'the incidence of work related injury and death is an ongoing epidemic'. He told the inquiry that many workplace injuries were likely to have gone unreported, resulting in difficulty comparing statistics across the nation. However, he did state that in the 2004 National Occupational Health and Safety Commission report, the cost of work related injuries to the Australian community totalled about \$43 billion per year. Many of those injuries were predictable, he said, because:

... we know that these types of injuries occur as a result of unsafe systems of work, which can be determined and may be prevented.

News reports of deaths in the workplace make for unwelcome and disturbing stories. A number of those stories appear on the website [safetyinaustralia.com.au](http://safetyinaustralia.com.au), which was set up with the intention of improving the safety of Australians at work. It tells the stories of workplace injuries and deaths across the country. Earlier this month, a story was featured about a prominent Adelaide scrap metal business that was convicted and fined in the South Australian Industrial Relations

Court over the death of a truck driver on its premises in 2006. In that incident, the truck driver, 33-year-old Brian Murphy, was killed after a bundle of steel tubes was dislodged by a forklift operator and struck him. Safe-Work SA later found that there were no safe operating procedures in place for the loading and unloading of trucks at the workplace. It was also found that a few simple and inexpensive safety measures could easily have prevented Mr Murphy's death. The Industrial Relations Court heard that Mr Murphy's death had a 'devastating impact' on his partner of 10 years, his three children and his extended family.

Instances such as that one are unfortunately not uncommon. The Adelaide *Advertiser* published a similar story in April last year, where a couple who had been together for more than half their lives were parted by a workplace fatality. Di Groeneveld lost her husband in 2005 when he was working on a neon sign which electrocuted him. Mr Groeneveld's hand came into contact with the end of a loose wire while he was changing one of the sign's light tubes at a suburban Adelaide car dealership, resulting in his death. Mr Groeneveld's employer was subsequently charged for failing to provide a safe workplace. Not only was Mr Groeneveld not provided with any safety protection; his employer had never established a set of written safe work procedures in the workplace. Mr Groeneveld was just one of the many people whose lives are suddenly and without warning taken from them—and of course his wife's life was turned upside down, as were the lives of his children and his extended family. It is for those sorts of reasons that this bill needs to be passed. It needs to be passed to enable greater financial security to those affected by workplace deaths.

While I have mentioned the increase in the lump sum payout to \$400,000, I have yet

to mention the increase proposed in this bill to the weekly benefits for dependant children. I note that both the examples of workplace fatalities I spoke of earlier resulted in children losing a parent. This bill proposes to increase the weekly payment for dependant children from \$75.10 to \$110 per week—a \$35 increase in compensation that hopefully will go some way to assisting the families affected by workplace deaths. These payment increases, for both the lump sum and the weekly dependant child allowance, will also be indexed annually by the wage price index, as issued by the Australian Bureau of Statistics. Currently, the escalation is done through the CPI. In many respects, the CPI has become a very difficult index to utilise. It is hoped that using the wage price index will give a truer representation and therefore provide a fairer benefit increase for families on the whole.

In a further sign of support for Australian workers and their families, just last week the Minister for Employment and Workplace Relations announced a plan to backdate the increase in death benefits for employees covered by Comcare. That announcement will ensure all families covered by Comcare who have suffered the loss of a loved one in the workplace since 2008 will receive a back payment of the increased amount of compensation, should this bill be passed in the Senate—and, indeed, we expect it will be. That announcement is of particular significance to the family of ACT firefighter Mr David Balfour. Mr Balfour was a professional firefighter who died whilst helping his Victorian colleagues fight the Black Saturday blazes. He was the first ever firefighter from the ACT to die whilst on duty. He had previously fought the 2003 Canberra fires and went to Victoria to help out as he saw it as his chance to return the favour to all those who had come from Victoria to help save his city from the fires. It was a choice that ulti-

mately cost him his life. The announcement last week that the increased compensation would be payable to his wife and children will hopefully provide some relief for his family.

If the bill is passed, there are a number of other amendments which will affect families in other circumstances. The bill seeks to amend the Social Security Act 1991 to extend sickness allowance and parenting payment (single), the provisions which prevent a person from receiving payment while there is an assurance of support in force. This would mean that a person who is subject to an assurance of support will not qualify for sickness allowance or parenting payment (single) where their assessor is willing and able to provide them with an adequate level of support and it would be reasonable for them to accept that support. Currently, where a person who is subject to an assurance of support receives sickness allowance or parenting payment (single), the payments they receive become a debt of the assessor to the Commonwealth rather than the person being excluded from payment and supported by the assessor.

The amendments that are being proposed in this bill would align the qualification provisions for sickness allowance and parenting payment (single) with those other working-age income support payments such as Newstart allowance, parenting payment (partnered), youth allowance, Austudy and widow allowance, for which a person does not qualify if they have an assurance of support in force. Under the proposed amendments, migrants will still be able to receive sickness allowance or parenting payment (single) if their assessor is unwilling or unable to provide them with an adequate level of support. Any income support payments made to the migrant would become a debt of the assessor to Centrelink. All these proposed amendments are consistent with the January 2008

reforms to the Assurance of Support scheme, which, amongst other things, added sickness allowance and parenting program (single) to the list of payments that are recoverable under the Assurance of Support program. There are other minor and technical amendments to this bill, including amendments to the Social Security Act.

In conclusion, I would like to note that critical accidents and death in the workplace are a serious problem which should be addressed in every workplace across the nation. Indeed, I am pleased to say that the South Australian government in particular has done a lot to ensure that tough laws and heavy penalties are in place for workplaces that are unsafe. But we should remember that it is only at the workplace that the prevention of workplace death and injury can occur. You can have as many penalties in place as you like, but we need to encourage all employers to implement safety measures and ensure compliance. This is a much better course of action than punishing employers. Employers need to keep their employees safe. It is essential that workplaces deliver the highest standards of safety to protect the rights and lives of every Australian worker.

In the debate about workers compensation schemes and, as Dr Purse calls it, the epidemic of workplace death and injury, it is also very important to recognise and remember the role and the rights of trade unions and health and safety representatives in the workplace. In this debate, we often neglect to give due acknowledgement to, in particular, health and safety representatives in the workplace. They often have a very difficult job in raising workplace safety issues with their employer. In my experience they take their responsibilities very seriously and have directly contributed to ensuring that there are not even more workplace deaths and injuries.

As I said at the outset, the government can do little to relieve the heartache of losing a loved one through workplace death or injury. However, if this bill is passed in the Senate today, we will at least have done something to alleviate some of the financial woes of the families, who are of course the unintended victims of workplace deaths. I would therefore like to thank the Senate for this opportunity to make these comments about this very important piece of legislation today. I know that, in this budget week, there are many things occupying the minds of senators and there are many serious issues to be debated. But it must be said that being able to go to work knowing that you are going to return home safely is as important as understanding the complexity of any of the budget measures that were announced last night. I am pleased that the Senate is giving due regard to this very important piece of legislation and I urge all senators to support it.

Debate interrupted.

#### DOCUMENTS

**The ACTING DEPUTY PRESIDENT (Senator Hurley)**—Order! It being 6.50 pm, the Senate will proceed to the consideration of government documents.

#### Digital Television

**Senator BARNETT** (Tasmania) (6.50 pm)—I move:

That the Senate take note of the document.

This report by the Department of Broadband, Communications and the Digital Economy is quite comprehensive. It talks about the digital television transmission regulatory framework, the ACMA television coverage evaluation program, the measures to address signal deficiency and the commercial and national free-to-air broadcasters in metropolitan and regional television licence areas. In regard to those broad general topics, I want to express my concerns on behalf of Tasmanian televi-

sion viewers that Tasmania is missing out on Channel 1. This station is owned by Channel 10. It is a 24-hour, seven-day-a-week sports channel and it is currently not being viewed in Tasmania. At the end of March I received a lot of complaints from members of the community. I have since expressed my concerns publicly and indeed made an official complaint to the Australian Competition and Consumer Commission about Network 10's advertising of its 24-hour sports television channel.

At the time of the advertising for this free, sports-only channel in Tasmania in the months leading up to the end of March and in the lead-up to its launch in the mainland capital cities, it was my view that the advertising was misleading and deceptive and in breach of section 52 of the Trade Practices Act. I made a complaint at the time to the ACCC and, indeed, I noted it was officially received in Tasmania by the ACCC. Section 52 of the Trade Practices Act says:

A corporation shall not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

The advertising in Tasmania gave consumers the impression that from 26 March they would be entitled to enjoy this free, sports-only channel. Unfortunately, that was not the case. The channel was to be viewed and programmed in the mainland capital cities, bar Darwin and Hobart. That is not good enough. Tasmanians should not be considered as second-class citizens. They deserve the right to this service, like other viewers across the country. In fact, Tasmanians are as much interested in sport as our mainland counterparts, if not more. To exclude Tasmania, and specifically Hobart, from accessing this free television service, in my opinion, is very unfair and contrary to the advertising promotion.

At the time, I wrote to the federal Minister for Competition Policy and Consumer Affairs, Chris Bowen and to the federal Minister for Broadband, Communications and Digital Economy, Senator Conroy, expressing these concerns and asking for their intervention. I subsequently received a letter from Chris Bowen, which indicated that he had referred my concerns to the ACCC. I thank him for that. That letter was dated 1 April. I received a response on 16 April from the ACCC, indicating that my concerns were noted. In the letter from Brian Cassidy, the Chief Executive Officer, he says, 'In light of the above, my on balance view is that the promotions are unlikely to contravene the Trade Practices Act and unfortunately I am unable to be more certain as the case law pertaining to this area of law is sparse and the distinctions drawn are quite subtle.'

Then, on Saturday, 9 May, Chris Bowen was featured, with a big photo, in the *Mercury*. The article states: 'Mr Bowen said it was believed the ACCC did not receive the full story.' I asked Mr Bowen to find out on behalf of Tasmanians. I call on him and the government to ensure that the ACCC gets the full story because Tasmanians deserve fair treatment. I commend Garry O'Brien and his efforts to get the Tasmanian community behind this so that we get fair treatment in Tasmania. (*Time expired*)

Question agreed to.

#### **Consideration**

The government documents tabled today and general business orders of the day Nos 59 and 61 to 74 relating to government documents were called on but no motion was moved.

#### **ADJOURNMENT**

**The ACTING DEPUTY PRESIDENT (Senator Hurley)**—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

### **Paid Parental Leave**

**Senator CAROL BROWN** (Tasmania) (6.57 pm)—I would like to speak tonight to celebrate, along with thousands of other women around the country, the historic announcement by the government on Sunday that it will introduce a national government funded paid parental leave scheme. The announcement, which came on Mothers' Day, could not have been more fitting as families around the country came together to pay special tribute to the invaluable but far too often underrecognised roles that mothers play in nurturing our young and creating a safe and loving family life. Mother's Day provided the perfect backdrop for the government's announcement, as it combined the traditional method of private acknowledgement of mothers with a formal recognition of their vital role in caring for our young children.

As the Treasurer emphasised when making the announcement on Sunday, the introduction of a national paid parental leave scheme by the government:

... goes to the core of working family life in this country and the fact that we must value the relationship between a mum and a newborn child.

Under the scheme, which is due to commence on 1 January 2011, eligible parents will be able to access up to 18 weeks paid leave to be paid at the federal minimum wage. The government estimates that around 148,000 mothers and primary carers will fall eligible under the scheme each year. Paid leave will be available to contractors, casual workers and the self-employed, many of whom have no access to employer provided paid parental leave entitlements. Indeed, by offering working mums some much-needed support, the scheme will particularly benefit low-income mothers, who traditionally have little access to paid maternity leave. This historic announcement represents a win not only for families but also for working moth-

ers, who for a number of different reasons are often forced to return to work early and juggle the dual responsibilities of work and home as an income earner and a primary carer.

The announcement of the scheme is also a win for the hundreds of women who have campaigned so hard for this over the last 30 years. As with other battles fought and won by women around the globe, it proves persistence is essential. Finally, the announcement also represents a win for the working women and mothers of the future who, when making the all-important decision to start a family, will do so in a much more supportive environment than those in the past. The significant benefits that will result from the introduction of the scheme should not be understated. By allowing parents the opportunity to access paid leave for up to 18 weeks after the birth of their child, the scheme specifically recognises and places formal value on the essential role that parents play in the first few months of a child's life. It is a role that by nature has traditionally been undertaken by women and, as a consequence, has up until now remained largely unrecognised when it comes to paid workforce participation.

The introduction of the scheme also represents a welcome policy shift by the government, in terms of an introduction of policies that more accurately reflect and accommodate for the practical realities of the dual demands of work and family life. For far too long, women's workforce participation has been measured against the largely outdated male stereotype of the typical worker and has suffered as a result. As the Australian government's 2008 report to the United Nations entitled *Women in Australia* highlights, despite the fact that women today represent almost half our paid workforce and outnumber men when it comes to completing university education, the labour force in Austra-

lia continues to be segregated by gender and women continue to get paid substantially less than their male counterparts. The figures speak for themselves. As of February 2008, the average weekly full-time earnings for men in Australia was a little over \$1,200, whereas for women it was around \$1,000, representing a gap of 16.2 per cent. The government's report also highlighted the fact that women were overrepresented in the service based industries, such as health, community services and retail—the jobs that traditionally attract less pay and are most likely to be on a casual or part-time basis.

While I am under no illusions that the introduction of a paid parental leave scheme by the Rudd government will somehow provide a cure to all these long-running ills and result in women enjoying true equal representation in the Australian workforce—although that would be nice—the introduction of the scheme will make a good start when it comes to reconceptualising the relationship between work and home. This must occur if women are ever to achieve equal pay and status in the Australian workplace. By granting monetary recognition to the role of primary care giver—a role traditionally filled by women—in the private sphere, paid parental leave is legitimising and valuing their role in the public sphere in the Australian workplace. In this way, paid parental leave will effectively provide the missing continuum—the essential link between the vital roles that women play both at home and in the workplace. For this reason alone, the government's commitment to introduce a paid parental leave scheme should be applauded. This policy shift stands in stark contrast to that of the previous government supported by those on the opposite side of the chamber. It is agreed between many social commentators that their policies did substantial damage to women's labour force participation and, more specifically, had the effect of reinforcing

the status quo of men as the primary breadwinners and women as simply the second earners.

Liz van Acker, in her paper *The Howard Government's budgets: stay-at home mothers good—single mothers bad*, argues that the 2004 budget package, which included an increase of \$600 a year in the maximum and base rates for child endowment and family allowance, 'promoted the white picket fence ideal of mother as prime carer' and males as the traditional breadwinners. Work Choices, as we all know, also hit more vulnerable groups, such as women, the hardest. Two studies into the effect of Work Choices, conducted on behalf of the New South Wales Department of Commerce, concluded that its impact on low-paid female workers in particular was significant. Needless to say, based on the completely outdated female-workforce-participation model peddled by those opposite whilst in power, we would never have seen a paid parental leave scheme introduced.

When announcing the scheme on Sunday, the Treasurer also made another point indicative of the shift in policy priorities. The Treasurer commented that the introduction of the paid parental leave scheme is not only vital for parents; it is equally vital for children. He rightly noted that 'the early years of a child's life are so important to that child's prospects later in life'. In this sense the introduction represents a vital investment in female workforce participation. It is also quite simply an investment in our children's future. This sentiment was echoed by the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, early last year, when she said that the Rudd government's approach to family policy was to put children at the centre of policy making and not on the margin. Indeed, the introduction of a paid parental leave scheme by its very nature places inher-

ent value on the caring needs of children during their first few months of life. By allowing parents, particularly new mothers, to take paid time off work to care for their babies, it not only encourages new mums to recover from giving birth; it also allows them the space to be able to breastfeed, care and bond with their newborn. The importance of such things in assisting a child's development later in life should not be underestimated.

Finally, as has been argued more strongly in recent times, there are also a number of significant economic benefits to flow from the introduction of the scheme. As the Australian Council of Trade Unions noted in their response on Sunday welcoming the scheme, paid parental leave is 'good for business and the economy because it will help keep skilled, experienced female staff attached to the workforce'. Indeed, as the ACTU noted in their submission to the Productivity Commission's inquiry, mothers make up one of the largest untapped labour resources in the country and, with Treasury modelling showing that a 2.5 per cent increase in labour force participation would produce an additional nine per cent increase in economic output by 2022, helping more mothers back to work has the potential to boost productivity and strengthen the economy. As I mentioned earlier, the government's announcement on Sunday represents not only a win for working families but also a win for hundreds of thousands of Australians who have campaigned long and hard—indeed an outcome that has been 30 years in the making. Many Tasmanians have worked extremely hard in support of the introduction of the scheme. In particular, I would like to pay special tribute to the hard work and dedication of the team at Unions Tasmania that have run their 'Mums Rights at Work' campaign with much success.

As I finish, I would also specifically like to acknowledge and congratulate the Prime

Minister, Kevin Rudd, the Deputy Prime Minister and Minister for Employment and Workplace Relations, Julia Gillard, and the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, for shifting the debate regarding paid parental leave from 'if' to 'when' such a scheme would be introduced and then seeing it through to fruition in what have been increasingly difficult economic times. The introduction of the scheme will undoubtedly be reflected on as a major milestone for women. (*Time expired*)

#### **UNICEF State of the World's Children Report**

**Senator PAYNE** (New South Wales) (7.07 pm)—I want to speak tonight about the 2009 UNICEF *State of the world's children* report. Every minute somewhere in the world a woman dies from complications in childbirth—more than 500,000 women every year. The vast majority of these deaths, around 99 per cent of them, occur in developing countries. Millions more suffer from disability, disease, infection and injury. If you are a woman in sub-Saharan Africa you have a one in 16 chance of dying in pregnancy or childbirth compared to a one in 8,000 chance in the developed world.

The causes of maternal death and disability vary. Haemorrhage, infection, obstructed labour, hypertensive disorders in pregnancy or complications from unsafe abortion can lead to injury or death. For children below the age of five, at least 20 per cent of the burden of disease is related to poor maternal health and nutrition as well as quality of care at delivery and during the newborn period. Annually, eight million babies die before or during delivery or in the first week of life. Many children are left motherless each year and are then 10 times more likely to die within two years of their mothers' deaths. Malaria is another risk. It can lead to anaemia

mia, which increases the risk of maternal and infant mortality and developmental problems for babies. Nutritional deficiencies contribute to low birth weight and birth defects. Of course, HIV infection is an increasing threat and is becoming a major cause of maternal mortality in southern Africa. In fact, up to 45 per cent of HIV-infected mothers also transmit infection to their child.

Frustratingly, so many of these deaths and diseases are preventable. Access to skilled health care during pregnancy, childbirth and the first month after delivery is key to saving women's lives and the lives of their children. In the last few years, in pursuit of the Millennium Development Goals, much effort has been directed towards reversing these devastating effects of poor maternal and child health in many developing countries. Of the eight Millennium Development Goals, two directly address maternal and child health. MDG4 is to reduce by two-thirds between 1990 and 2015 the under-five mortality rate, and MDG5 is to reduce by three-quarters between 1990 and 2015 the maternal mortality ratio and achieve universal access to reproductive health.

Plainly, though, the message is simple: healthy children need healthy mothers. The time and effort and resources that have been invested in achieving these MDGs in particular have had some positive impact on improving maternal and child health. For example, vaccinations have slashed child deaths from measles. Antenatal care is actually on the rise everywhere. But those successes have been overshadowed by slow progress in many other areas. Deaths of children under five remain unacceptably high. Little progress has been made in saving mothers' lives. An unmet need for family planning undermines the achievement of several other goals. In fact, progress is so slow that the MDG on maternal health—to reduce maternal mortality rates by three-

quarters—simply cannot be achieved by the deadline in 2015. And just how far we have to go was highlighted in UNICEF's 2009 report.

If you start at 1990, the base year for the MDGs, an estimated 10 million women have died from complications relating to pregnancy and childbirth and some four million newborns have died each year within the first 28 days of life. That represents around 40 per cent of all under-five deaths. Although the number of under-five deaths worldwide has consistently fallen, from around 13 million in 1990 to 9.2 million in 2007, maternal deaths are stubbornly intractable. Sub-Saharan Africa continues to fare the worst, with progress on reducing maternal mortality rates virtually nonexistent since the Millennium Declaration was signed. In fact, together Africa and Asia account for around 95 per cent of maternal deaths and 90 per cent of neonatal deaths. Two-thirds of all maternal deaths in the world occur in just 10 countries. India and Nigeria together account for one-third of maternal deaths worldwide, and India alone has 22 per cent of the global total.

Both premature pregnancy and motherhood continue to pose very considerable risks to the health of girls as well. The younger a girl is when she falls pregnant, the greater the health risks for her and her baby. Nearly 70,000 girls worldwide die each year as a result of maternal deaths related to pregnancy and to childbirth.

So on any assessment, and as the UNICEF report points out, maternal health has advanced very little in decades. That, according to the report, is the result of a multiplicity of underlying factors. It often reflects the overall effectiveness of national health systems, which in many developing countries suffer from weak administrative, technical and logistical capacity, from inadequate financial investment and from a lack of skilled health



personnel. But we cannot walk away from the fact that the root cause may lie in the disadvantaged position that women still hold in many countries and cultures.

The report is actually quite dispiriting, but there are some reasons, we think, for optimism. Simply, most maternal and neonatal deaths can be prevented through adequate nutrition, through improved hygiene, through antenatal and postnatal care, through skilled health workers assisting at births and through emergency obstetric and newborn care. In fact, the research says that around 80 per cent of maternal deaths are preventable if women have access to essential maternity and basic healthcare services. They are not complicated interventions at all, but globally they require a great deal more activity from governments, both developed and developing, if we are ever to make sustained reductions in global maternal mortality rates.

The report provides a way ahead. It proposes a human rights based approach to improving maternal and neonatal health which focuses on enhancing healthcare provision and addressing gender discrimination and inequities in society through cultural, social and behavioural changes, and through targeting those countries and communities which are most at risk. In practice, what that means is better health care and improved national health systems and education. It means antenatal HIV testing, increasing the number of births that are attended by skilled health personnel, providing access to emergency obstetric care where necessary and providing postnatal care for mothers and babies. They could all sharply reduce maternal and neonatal deaths. And so would enhancing women's access to family planning, adequate nutrition and affordable basic health care.

Educating women and girls is one of the most powerful ways of breaking the poverty trap and creating a supportive environment

for maternal and newborn health. Early marriage and pregnancy, HIV and AIDS, sexual violence and other gender related abuses increase the risk of adolescent girls also dropping out of school and that entrenches the vicious cycle of gender discrimination, poverty and high rates of maternal and neonatal mortality, so education is a vital part of breaking that cycle.

It is not impossible or impractical to reverse these numbers, but it does call for proven cost-effective measures that women of reproductive age have a right to expect. This global financial crisis is likely to have a serious impact on funding for maternal and child health, and that is a very serious concern. The government and the opposition have both acknowledged this danger in discussions. The World Bank estimated recently that as a result of the global financial crisis it is possible that between 200,000 and 400,000 more children will die each year as the crisis continues. That is one of the most alarming statistics I have heard out of the entire GFC discussion, and the government has made some commitments to improve women and children's health in the Asia-Pacific region and strengthen national health systems.

The coalition also had a strong record in supporting improvements in the areas of maternal and child health. In our last budget, we provided significant spending in health and education which was designed to strengthen the focus on the health of women and children, to see 10 million more children in the region in schools and to provide better education for another 50 million. Those coalition measures directly supported the achievement of the MDGs because, without better access to health and education, maternal and child mortality rates will remain dangerously high.

Better maternal and child health is—I hope—achievable, but it requires a really

concerted international effort. It would be so much better if the 2010 UNICEF *State of the world's children* report could have a more positive message than the 2009 report. The report's message is simple and it is really worth repeating: healthy children need healthy mothers. I know that we can all support that. This is a report which is well worth reading and well worth looking at and it is well worth contemplating what we can do to raise awareness in our country and further afield about addressing the tragedies that I have spoken about tonight.

**The PRESIDENT**—Before proceeding to Senator Bilyk, I would like to acknowledge the presence in the chamber of former Senator Rosemary Crowley. Welcome back. It is nice to see you enjoying the pleasures of adjournment in the Senate.

#### **Victorian Bushfires**

**Senator BILYK** (Tasmania) (7.17 pm)—Tonight I rise to speak about some of Tasmania's contributions to helping Victorians recover from the devastating fires of Black Saturday and the weeks following. Only this week we heard that the coroner has confirmed the identities of the 173 people who tragically lost their lives, and my heartfelt sympathies go to those families involved. Unfortunately, extinguishing the flames of the fire did not extinguish the heartbreak and anguish felt by so many.

Right from the outset, Tasmanians have been overwhelmingly generous to their Victorian counterparts. Many fundraising events have been held throughout the state and I would like to mention a number of these events. In particular, I would like to mention a fundraiser I attended on 28 March at Geeveston in southern Tasmania. This event was organised by the Tasmanian Forest Festival to raise funds for the family of Harley and Errol Morgan from Marysville, who were victims of the fires in Victoria.

Geeveston is a small community about an hour south of Hobart. The town has long been known as the 'Gateway to the south-west' and is now also known as 'Tasmania's own forest town'. The Tasmanian Forest Festival began in 2004 as a way to celebrate the importance of the forestry industry and also to acknowledge the link between the industry and other industries such as tourism and art and crafts. Chainsaw sculptor Harley Morgan and his wife, Errol, had previously visited and participated in the festival, and it was for this reason that the community of Geeveston was so saddened by their deaths and felt the need to support the family.

The event raised \$5,000 from ticket sales, auctions and raffles and was attended by about 60 people. The event included a delicious meal catered for by Kermandie Hills and music by OzzSound. Harley and Errol's son Andrew sent a message of thanks which was read at the dinner, and in this letter he emphasised how much his parents loved coming to Tasmania and loved the local people, many of whom they had formed solid friendships with. Geeveston couple Eddie and Fiona Freeman are liaising with the Marysville community to erect a sculpture in honour of Harley and Errol with the money raised for this purpose. Andrew was also able to report that, ironically, some of Harley's sculptures had survived the Marysville firestorm. Andrew and the rest of the family are so appreciative of the support from the Geeveston community, and I believe they are finding some comfort in the fact that their loved ones were so highly regarded by their Tasmanian friends.

It was wonderful to see such a small community come together in support of others and to be so generous. A good night was had by all despite the tragic reason for the evening, and once again I would like to express my thanks to all those involved in the organisation and running of the evening.

Special thanks to Kermantie Hills, the caterers; OzzSound for the music; and also to Christine Coad, Tammy Price and Karen Cordwell.

The town of Geeveston suffered as a result of Tasmania's 1967 fires, which also occurred on 7 February. They claimed 62 lives and left 900 injured and 7,000 people homeless. It was partly this connection that made the Victorian fires all the more devastating for the Geeveston community, but it was also that great bond that I see time and time again between the individual personalities. Tasmania and Victoria will forever share a special but difficult connection as a result of the Black Tuesday and Black Saturday fires.

The Victorian fires also reminded Tasmanians of the fact that they, too, continue to face the dangers of bushfires with a larger percentage of the state's population than there was in 1967 now living in risk areas—not that another reminder was needed following fires on Hobart's eastern shore and the east coast in recent years. Tasmanians from all walks of life felt the need to help our Victorian neighbours. It was the natural thing to do and Tasmania has also experienced the generosity of other Australians on many occasions. Tasmanians have held many events as fundraisers and have also been generously giving in other ways.

I attended another great event on 26 April. It was a cricket match between a combined Snug and Margate team and the Marysville team from Victoria. Snug and Margate are two suburbs south of Hobart. I spent the first seven years of my life in Margate, so I have quite strong links to it. It was then a much smaller, nearly rural area. Now it is a fast-growing and popular suburb. In the 1967 fires in Hobart both the Margate and Snug cricket clubs were burnt to the ground, so when Marysville lost their club the Tasmanian players wanted to assist the local Victo-

rian cricket team and give them a break from the difficult times they had been experiencing. The Marysville team played their first match three weeks after the fires. They told me that it was good to have something else to think about and that it helped them resume normalcy in their lives.

The cricket game was the culmination of a weekend of various activities in Hobart for the Victorians, including barbecues, dinners and a night on the town for those who wanted one—and I did not ask too many questions about that! The game ended with the presentation of a souvenir stump for the Marysville team. To pay for the weekend, Rob Richards, the Margate captain, organised a fundraiser and raised \$12,100, way above expectations. The Tasmanian government matched the money raised, taking the total to \$24,200. It was not only the cricket club that was lost in Marysville; all 12 of the Marysville team lost their homes and their belongings, and some also suffered the loss of loved ones. I think I can safely say the clubs have forged a long-term bond, and there is talk of the Tasmanian teams going to Marysville for a match in the future. I know the visitors really appreciated the whole weekend and my sincere thanks go to all those involved in organising it.

Yet another way Tasmanians have helped is by donating goods and clothing. The electorate offices of Labor senators and members, as well as those of state Labor parliamentarians, received many donations from members of the public who wanted to help in any way they could. The meeting room in my office was chock-full of donated items such as clothes, toys, toiletries and everyday household effects, which were boxed up and sent over. Even after the collection stopped, people were still coming into electorate offices wanting to donate. I would like to especially thank Heather Butler, one of the state

members for Lyons, for organising this mammoth task.

Many Tasmanians have willingly gone to Victoria to help fight the fires and also to do what they can to help with the rebuilding process. Timber Communities Australia Tasmania has been very active in fundraising and also sending teams to Victoria to help with the firefighting and the rebuilding phase. Branches of TCA to head to Victoria included those of Bruny Island, Ranelagh, Hellyer and Meander. On 5 May I had the opportunity to farewell a group that was heading to Victoria to help with the repair and reconstruction work. It was a great opportunity for me to publicly acknowledge the role of Bruny Island volunteers in responding to calls for assistance by local Victorian communities.

Members of Timber Communities Australia from Bruny Island have embarked on their second visit to the Traralgon South district of Victoria, where they have formed volunteer fencing teams to commence work on replacing some 4,000 kilometres of fences destroyed by the fires—a mammoth task when you think about it. They have been joined in this project by Timber Communities Australia members from other Tasmanian communities. I acknowledge the Tasmanian members of Timber Communities Australia who have so generously given of their time and expertise to assist those who have suffered in the recent Victorian fires. On their trip the volunteers will also deliver a much needed basic household item, coathangers, responding to a request from Hazelwood Rotary Club in Victoria. The success of this appeal was visually apparent, with boxes and boxes of coathangers collected and loaded onto the back of the trucks.

Australia experiences bushfires every year, and thankfully most do not cause large-scale destruction or claim lives. However, as

Black Saturday has proved once again, we cannot always get fires under control quickly, and there is also the issue of arson, which needs to be dealt with strongly. Our best plan is to do everything we possibly can to prevent fires starting in the first place. In order to do this we need to work together. Federal, state and local governments need to play their parts, and each householder has a responsibility to ensure that their home is cleared of fire hazards and that they have an action plan in case fire does strike.

At the national day of mourning on 22 February, the Prime Minister said that 7 February each year will see the Australian flag fly at half mast. This will be done in memory of the lives lost on that tragic day and of those lost in similar circumstances—a fitting tribute, especially given that many buildings that survived the fires flew flags as a show of strength and support. As the Prime Minister said in his address at the service, they were:

Flags of courage. Flags of compassion. Flags of resilience. Flags of hope.

Australians have once again joined together in a most difficult time to support those who are suffering, and Tasmania has done more than its fair share, despite being the smallest state. Tasmania will continue to offer support to Victoria as the recovery process continues. Victoria will need our assistance for a long time to come and I know that Tasmanians will rise to this challenge—they have proven that time and time again.

#### **Australian Red Cross**

**Senator FARRELL** (South Australia) (7.27 pm)—I welcome former Senator Crowley, a great South Australian senator, to the chamber. I rise to inform the Senate of the outstanding work being undertaken by Red Cross in South Australia, especially in relation to its Aboriginal program. I recently had the privilege of meeting with one of Red Cross's South Australian board members,

Adelaide solicitor David McLeod, as well as the office's executive director, Kerry Symons. They kindly brought me up to date with the organisation's latest activities. Red Cross has adopted a new strategic approach to services and programs in response to emerging research findings on disadvantage in Australia. For Red Cross, this has meant a greater focus on working with marginalised and vulnerable people, in particular Aboriginal and Torres Strait Islander communities in Australia.

Red Cross does not see itself as substituting for Aboriginal led and controlled services but rather sees itself as part of an interim strategy that contributes to achieving an outcome where communities direct their own services and responses. The organisation does not move into a community, do its work and then leave just as quickly as it arrived. Rather, it adopts a long-term approach, works side by side with the community and does not actually begin working until it has been invited to do so. In this regard, it works at quietly chipping away, communicating with communities and partnering with communities by invitation.

While Red Cross recognises that Aboriginal poverty and disadvantage are widespread and deeply entrenched, it does not believe that these are intractable problems. Red Cross has committed itself to a long-term, constructive and collaborative role in addressing these issues. Red Cross strongly recognises and acknowledges the strengths and commitments of many Aboriginal people, organisations and communities to address the array of complex and challenging issues that they are confronted with. There is community resilience that must be supported and built upon to ensure sustainable and positive change.

The Australian Red Cross Indigenous strategic plan for 2008-10 has a number of key

objectives and strategies. The organisation is working in partnerships with Aboriginal and Torres Strait Islander peoples, communities, organisations and stakeholders in a variety of ways. It is strengthening and building community capacity, governance, leadership and organisational development in addition to complementing the work of communities in locations of high need and vulnerability. Red Cross is also working closely with these communities and increasing the employment opportunities and retention of Indigenous staff across all levels within Red Cross. It is strengthening the ability of individuals, families and communities to break the cycle of intergenerational disadvantage and reduce vulnerability through the expansion and delivery of emergency management services and the establishment and development of an evidence based approach to its work through research and evaluation. All these services and programs are accessible to Aboriginal and Torres Strait Islander people.

Red Cross in South Australia is strongly working in partnership with local communities to build capacity and reduce vulnerability through a range of early intervention and prevention programs in key areas such as nutrition and food security, financial literacy, families, youth, and social and emotional wellbeing. It is also keen to partner with key government and non-government agencies to ensure service integration and to avoid duplication. In this it is succeeding admirably. In South Australia, its work with Aboriginal communities has developed over the past four years through consultation and collaboration with Aboriginal-led agencies, Aboriginal communities and government and non-government agency providers.

Red Cross provides vital assistance in a variety of areas, including community nutrition programs and emergency services, where it partners with specific remote Aboriginal communities to educate about com-

munity preparedness. It also assists with community first aid training and, for Aboriginal students, this provides the capacity to undertake work that counts towards their tertiary qualifications. Red Cross assists in the provision of social and emotional training and provides packages that are individually tailored to community needs, including well-known programs such as save-a-mate, Mental Health First Aid and Talk Out Loud. It also links communities to other resources and agencies and works with others to find solutions, and it provides advocacy, especially in relation to accessing services and food. Finally, Red Cross assists the recruitment, training, support and employment of local Aboriginal people. These services span a massive area, including Ceduna; Port Pirie; Port Augusta and the Flinders Ranges area; Coober Pedy, where a regional office is currently being established; the APY lands; Murray Bridge; and the Kurna Plains School at Elizabeth. Red Cross also has further plans to expand its services to Point Pearce, Riverland, Whyalla, Copley and Nepabunna and to increase its presence in Ceduna, the APY lands and Coober Pedy.

An important part of the Red Cross work relates to the Community Nutrition project. Approximately 30 per cent of socioeconomically disadvantaged Australian households experience 'food insecurity', where they regularly run out of food. Within remote Aboriginal communities, food insecurity leads to as many as one-third of children experiencing malnutrition, a condition normally associated only with developing countries. Further, 25 per cent of Australian schoolchildren regularly miss breakfast and up to 40 per cent regularly have nutritionally poor breakfasts, leading to behaviours that can adversely affect their short- and long-term health outcomes.

The Community Nutrition project is delivering and evaluating an intervention in

two locations with a high proportion of Aboriginal people, one in a metropolitan setting at the Kurna Plains Area School at Elizabeth and the other in the remote area adjacent to Coober Pedy. The intervention targets children and their families through the delivery of a school breakfast program and a food and lifestyles program capacity building initiative. The project is being implemented over three years with annual review periods to measure the progress of achievement of the outcomes. These reviews are showing positive outcomes.

The school breakfast program draws on the well-developed model and expertise of the Good Start Breakfast Club, which Red Cross has been delivering nationwide since 1991. The program is delivered by volunteers drawn from within the community who, in addition to serving breakfast, provide community education to the children and their families regarding nutrition and social and living skills. Good Start Breakfast Clubs currently operating in South Australia are located in the Adelaide metropolitan area, including primary schools in Campbelltown, Elizabeth Downs, Enfield, Hackham South, Hendon, Mansfield Park and Kurna Plains, and Christies Beach High School. In regional South Australia, the Good Start Breakfast Clubs operate in the Ceduna Area School, and primary schools in Murray Bridge South, Port Augusta, Port Pirie, and Coober Pedy, while, in the north of the state, the breakfast clubs operate in eight remote APY lands schools.

Red Cross also operates a food and lifestyles program, adapted from the WA government's FOODcents program, which offers practical community education to parents, carers and families on shopping, budgeting, food preparation, nutrition and healthy lifestyles, including physical activity. The program works in partnership with key services and is delivered with the assistance of com-

munity volunteers, with the program seeking to increase nutritional and health outcomes and contributing towards reducing food insecurity.

At a time when we are all feeling the pressures of the world financial crisis, it is inspirational to know that Red Cross is playing a vitally important role, especially among the disadvantaged. The way in which Red Cross tackles this extremely important task, which is financed by and large from its own funds, is to be highly commended. As a volunteer organisation, Red Cross is using its resources on these projects very sensitively and compassionately and I, for one, would like to congratulate it.

**Senate adjourned at 7.36 pm**

## DOCUMENTS

### Tabling

The following government documents were tabled:

Medical Training Review Panel—Report for 2007-08.

#### *Migration Act 1958*—

Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 November 2008 to 28 February 2009.

Section 440A—Conduct of Refugee Review Tribunal reviews not completed within 90 days—Report for the period 1 November 2008 to 28 February 2009.

Section 486O—Assessment of detention arrangements—Personal identifiers 509/09 to 533/09—

Commonwealth Ombudsman's reports.

Government response to Commonwealth Ombudsman's reports.

Productivity Commission—Reports—

No. 46—Government drought support, 27 February 2009.

No. 47—Paid parental leave: Support for parents with newborn children, 28 February 2009.

Treaties—

#### *Bilateral*—

Explanatory statement 8 of 2009—Agreement to Amend the Agreement between the Government of Australia and the United States of America concerning certain Mutual Defence Commitments (Chapeau Defence Agreement) ([1995] ATS 35).

Text, together with national interest analysis—

Agreement between Australia and the Socialist Republic of Vietnam concerning the Transfer of Sentenced Persons, done at Canberra on 13 October 2008.

Agreement on Employment of the Spouses and Dependants of Diplomatic and Consular Personnel between Australia and the Portuguese Republic, done in Lisbon on 6 February 2009.

*Multilateral*—Optional Protocol to the Convention on the Safety of United Nations and Associated Personnel (New York, 8 December 2005)—Text, together with national interest analysis.

Treaties—List of multilateral and bilateral treaties under negotiation, consideration or review by the Australian Government as at March 2009.

### Tabling

The following documents were tabled by the Clerk:

[*Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number*]

A New Tax System (Family Assistance) (Administration) Act—

Family Assistance (Waiver of Debts — Victorian Bushfire) (DEEWR) Specification 2009 [F2009L01794]\*.

- Family Assistance (Waiver of Debts — Victorian Bushfire) (FaHSCIA) Specification 2009 [F2009L01798]\*.
- Civil Aviation Act—Civil Aviation Safety Regulations—Airworthiness Directives—Part—  
105—  
AD/DAUPHIN/99—Fuel Crossfeed High Level Switches [F2009L01766]\*.  
AD/SWSA226/39—Main Landing Gear Door Actuating Mechanism — Modification [F2009L01688]\*.  
AD/SWSA226/50 Amdt 1—Aileron Control Cables [F2009L01686]\*.  
AD/TSA-600/1 Amdt 1—Pilot Seat Back-Rest Attach Bolt — Inspection and Replacement [F2009L01685]\*.  
AD/TSA-600/6—Aileron Outboard Hinge Bolt — Inspection [F2009L01684]\*.  
AD/TSA-600/7 Amdt 16—Nose Landing Gear Drag Brace Trunnion and Actuator Fasteners — Inspection [F2009L01683]\*.
- 106—AD/MAKILA/14—Engine Control Unit — Comparator/Selector Boards [F2009L01698]\*.
- Corporations Act—Accounting Standards—  
AASB 2009-1—Amendments to Australian Accounting Standards — Borrowing Costs of Not-for-Profit Public Sector Entities [F2009L01637]\*.  
AASB 2009-2—Amendments to Australian Accounting Standards — Improving Disclosures about Financial Instruments [F2009L01638]\*.  
AASB 2009-3—Amendments to Australian Accounting Standards — Embedded Derivatives [F2009L01636]\*.
- Customs Act—Tariff Concession Orders—  
0813346 [F2009L01668]\*.  
0825982 [F2009L01664]\*.  
0831075 [F2009L01666]\*.  
0842377 [F2009L01340]\*.  
0843774 [F2009L01466]\*.  
0843788 [F2009L01470]\*.  
0845335 [F2009L01376]\*.  
0945960 [F2009L01391]\*.  
0946016 [F2009L01388]\*.
- Customs Act and Customs Administration Act—CEO Directions No. 1 of 2009 [F2009L01718]\*.
- Defence Act—Defence Force (Superannuation) (Productivity Benefit) Amendment Determination 2009 (No. 1) [F2009L01472]\*.
- Federal Court of Australia Act—Select Legislative Instrument 2009 No. 72—Federal Court Amendment Rules 2009 (No. 1) [F2009L01710]\*.
- Financial Management and Accountability Act—FMA Act Determination 2009/05 — Section 32 (Transfer of Functions from Health to AOTDTA) [F2009L01791]\*.
- Higher Education Support Act—VET Provider Approval No. 20 of 2009—The Board of Holmesglen Institute of Technical and Further Education [F2009L01748]\*.
- National Health Act—Instrument Nos PB—  
39 of 2009—Amendment declaration and determination — drugs and medicinal preparations [F2009L01713]\*.  
41 of 2009—Amendment determination — responsible persons [F2009L01711]\*.  
42 of 2009—Amendment determination — conditions [F2009L01714]\*.
- National Rental Affordability Scheme Act—National Rental Affordability Scheme Regulations—National Rental Affordability Scheme (Household Types) Determination 2009 [F2009L01805]\*.
- Private Health Insurance Act—Private Health Insurance (Benefit Requirements) Amendment Rules 2009 (No. 3) [F2009L01717]\*.
- Social Security Act—



Social Security (Employment Pathway Plan Requirements) (DEEWR) Determination 2009 (No. 1) [F2009L01804]\*.

Social Security (Exemption from Non-payment and Waiting Periods — Activities) Specification 2009 (No. 1) [F2009L01807]\*.

Social Security (Satisfaction of the Activity Test — Classes of Persons) (DEEWR) Specification 2009 (No. 1) [F2009L01808]\*.

Social Security (Waiver of Debts — Victorian Bushfires) (DEEWR) Specification 2009 [F2009L01793]\*.

Social Security (Waiver of Debts — Victorian Bushfires) (FaHSCIA) Specification 2009 [F2009L01799]\*.

Social Security Act and Social Security (Administration) Act—Social Security (Reasonable Excuse — Participation Payment Obligations) (DEEWR) Determination 2009 (No. 1) [F2009L01803]\*.

Social Security (Administration) Act—

Social Security (Administration) (Ending Unemployment Non-payment Periods — Classes of Persons) (DEEWR) Specification 2009 (No. 1) [F2009L01806]\*.

Social Security (Administration) (Payment Pending Review) (DEEWR) Guidelines 2009 [F2009L01802]\*.

Social Security (Administration) (Penalty Amount) (DEEWR) Determination 2009 (No. 1) [F2009L01800]\*.

Social Security (Administration) (Persistent Non-compliance) (DEEWR) Determination 2009 (No. 1) [F2009L01801]\*.

Therapeutic Goods Act—Order—Definition of British Pharmacopoeia, dated 4 May 2009 [F2009L01699]\*.

Veterans' Entitlements Act—Veterans' Entitlements (Partner Service Pension — Retention of Eligibility for Non-illness Separated Spouse) Determination R25/2009 [F2009L01478]\*.

\* Explanatory statement tabled with legislative instrument.

### **Departmental and Agency Appointments**

The following documents were tabled pursuant to order of the Senate of 24 June 2008

Departmental and agency appointments—Budget estimates—Letter of advice—Australian Institute of Family Studies.

### **Departmental and Agency Grants**

The following documents were tabled pursuant to order of the Senate of 24 June 2008

Departmental and agency grants—Budget estimates—Letter of advice—Australian Institute of Family Studies.

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**QUESTIONS ON NOTICE**

The following answers to questions were circulated:

**Ministerial Staffing****(Question No. 620)**

**Senator Minchin** asked the Minister for Immigration and Citizenship, upon notice, on 25 August 2008:

- (1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
- (2) How many of these staff are Departmental Liaison Officers.
- (3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

**Senator Chris Evans**—The answer to the honourable senator's question is as follows:

As at 25 August 2008:

- (1) There were four departmental officers working in the office of the Minister for Immigration and Citizenship and the Parliamentary Secretary for Multicultural Affairs and Settlement Services. Of these, one officer performed relief receptionist duties in the Minister's office from 22 August 2008 until 8 September 2008.
- (2) Three, two in the Minister's office and one in the Parliamentary Secretary's office.
- (3) Three, two staff in the Minister's office are on leave without pay and one officer in the Parliamentary Secretary's office is on leave without pay.

**Ministerial Staffing****(Question No. 628)**

**Senator Minchin** asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 25 August 2008:

- (1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.
- (2) How many of these staff are Departmental Liaison Officers.
- (3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

**Senator Conroy**—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator's question:

- (1) Minister's Office: three.  
Parliamentary Secretary's Office: one.
- (2) Minister's Office: two DLOs and one graduate on a three month rotation.  
Parliamentary Secretary's Office: one.
- (3) None.

**Ministerial Staffing****(Question No. 641)**

**Senator Minchin** asked the Minister representing the Minister for Veterans' Affairs, upon notice, on 25 August 2008:

- (1) How many departmental officers are working in the office of the Minister/Parliamentary Secretary.

- (2) How many of these staff are Departmental Liaison Officers.
- (3) How many departmental officers, on secondment from the department, are in the office of the Minister/Parliamentary Secretary in personal staff positions.

**Senator Faulkner**—The Minister for Veterans' Affairs has provided the following answer to the honourable senator's question:

As at 5 March 2009:

- (1) Two (one Departmental Liaison Officer and one Graduate - as part of its Graduate Program the Department offers 1 x 4 month and 2 x 3 month rotation periods each year to its Graduates to assist and work with the DLO and gain valuable broader portfolio knowledge.)
- (2) One
- (3) Nil

**Minister for Agriculture, Fisheries and Forestry: Overseas Travel**  
**(Question No. 707)**

**Senator Minchin** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 25 August 2008:

Did the Minister or Parliamentary Secretary within the Minister's portfolio travel overseas during July or August 2008; if so:

- (1) Where did the Minister travel.
- (2) What was the duration of the travel.
- (3) What was the purpose of the travel.
- (4) For each country visited, what was the total cost to the taxpayer of: a) travel; b) accommodation; c) any other expenses.
- (5) How many personal staff accompanied the Minister.
- (6) How many family members accompanied the Minister.
- (7) In regard to staff and family accompanying the Minister, what was the total cost of: a) travel; b) accommodation; c) any other expenses.
- (8) (a) How many departmental officers accompanied the Minister; and b) what was the total cost of their: i) travel; ii) accommodation; iii) any other expenses.

**Senator Sherry**—The Minister for Agriculture, Fisheries and Forestry has provided the following answers to the honourable senator's question:

Yes, the Minister travelled overseas in August 2008.

- (1) Port Moresby, Papua New Guinea and Jakarta, Indonesia.
- (2) 18-23 August 2008.
- (3) The purpose of the travel was to:
  - Enhance the bilateral agricultural relationships and cooperation with Papua New Guinea and Indonesia on issues of mutual interest
  - Progress Australia's agricultural trade interests with senior government representatives and agriculture industry representatives
  - Strengthen relationships with counterpart ministers involved in formulating agriculture, fisheries and forestry policy
  - Outline Australia's commitment to providing targeted technical assistance to Indonesia and Papua New Guinea, aimed at improving agricultural, fisheries, forestry quarantine systems, as

well as the health status of Indonesia's and Papua New Guinea's animal and plant industries, and to combat illegal fishing

- Maintain the momentum on agriculture in the negotiations on the ASEAN-Australia-New Zealand Free Trade Agreement (FTA).

(4) The costs of the Minister to date\* are:

Flights	Accommodation	Other Expenses	Total
\$7,432.51	\$689.52 (Indonesia only)	\$315.00	\$8,437.03

\* Information from the Department of Finance and Deregulation (Finance) as at

4 September 2008. Finance is responsible for the payment of overseas travel costs of Ministers and an accompanying spouse and *Members of Parliament (Staff) Act 1984* employees.

(5) One adviser accompanied the Minister.

(6) No family members accompanied the Minister.

(7) The costs of the adviser to date\* are:

Flights	Accommodation	Other Expenses	Total
\$7,432.51	\$689.52 (Indonesia only)	\$513.65 (travel allowance) + \$1,009.55 (vaccination)	\$9,645.23

\* Information from Finance as at 4 September 2008.

(8) a) Three departmental officers accompanied the Minister; b) their costs were:

Flights	Accommodation	Meals	Incidentals	Other Costs	Total
\$8,678.10	\$287.34 (Port Moresby) + \$689.52 (Jakarta)	\$640.00	\$180.00	\$N/A	\$10,474.96
\$9,104.46	\$440.80 (Brisbane/Port Moresby) + \$689.52 (Jakarta)	\$273.08	\$138.41	\$340.30	\$10,986.57
\$8,678.10	\$464.35 (Brisbane/Port Moresby) + \$689.52 (Jakarta)	\$158.64	\$137.91	\$274.38	\$10,402.90

Other costs met by the Department of Agriculture, Fisheries and Forestry to date are:

Country	Other Costs
Papua New Guinea	\$759.59
Indonesia	\$12,883.06
Total	\$13,642.65

### Minister for Human Services: Overseas Travel

#### (Question No. 1021)

**Senator Ronaldson** asked the Minister for Human Services, upon writing, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

- (1) What was the purpose.
- (2) How many nights were spent overseas.
- (3) What were the dates and venues.
- (4) How many meetings did the Minister or Parliamentary Secretary attend.
- (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.

- (6) What was the aggregate cost.
- (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

**Senator Ludwig**—The answer to the honourable senator's question as at 25 November 2008 is as follows:

- (1) Portfolio related meetings with New Zealand counterparts.
- (2) Three nights.
- (3) 17-20 August 2008. Wellington, New Zealand.
- (4) 10.
- (5) One departmental and one ministerial staff member.
- (6) and (7) For costs incurred by Ministers, Parliamentary Secretaries, their spouses and personal staff, I refer the honourable senator to the report *Parliamentarians' travel costs paid for by the Department of Finance and Deregulation*, noting that it is tabled biannually and that it gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits. Further information on ministerial visits is also available on ministerial web sites and in media releases and media reports.

#### **Assistant Treasurer: Overseas Travel**

#### **(Question Nos 1026 and 1027)**

**Senator Ronaldson** asked the Minister representing the Assistant Treasurer, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

- (1) What was the purpose.
- (2) How many nights were spent overseas.
- (3) What were the dates and venues.
- (4) How many meetings did the Minister or Parliamentary Secretary attend.
- (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
- (6) What was the aggregate cost.
- (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff.

**Senator Conroy**—The Assistant Treasurer and Minister for Competition Policy and Consumer Affairs has provided the following answer to the honourable senator's question:

#### **Trip no. 1 – U.S.A. – 13-20 January 2008**

(1) What was the purpose	To attend the 2nd West Coast Leadership Dialogue
(2) How many nights were spent overseas	Five
(3) What were the dates and venues	13-15 January 2008 – San Diego 16-17 January 2008 – San Francisco
(4) How many meetings did the Minister or Parliamentary Secretary attend	Eight (includes official functions and speeches)

(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	One personal ministerial staffer
<b>Trip no. 1 – U.S.A. – 13-20 January 2008 (cont.)</b>	
(6) What was the aggregate cost	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> – nil
(7) Can an itemised account be provided of the costs for the following:	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> – nil
(a) transportation;	As above
(b) travel allowance includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above
<b>Trip no. 2 – Auckland, New Zealand – 22-23 May 2008</b>	
(1) What was the purpose	To attend a meeting of the Ministerial Council on Consumer Affairs.
(2) How many nights were spent overseas	One
(3) What were the dates and venues	23 May 2008 – Auckland
(4) How many meetings did the Minister or Parliamentary Secretary attend	Two (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	One personal ministerial staffer
(6) What was the aggregate cost	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> – nil
<b>Trip no. 2 – Auckland, New Zealand – 22-23 May 2008 (cont.)</b>	

(7) Can an itemised account be provided of the costs for the following:	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> – nil
(a) transportation;	As above
(b) travel allowance includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above
<b>Trip no. 3 – Belgium, Brussels and Paris, France – 18-23 October 2008</b>	
(1) What was the purpose	Belgium: Meet ministerial counterparts and discuss competition and consumer affairs policy issues and the current financial turbulence being experienced in markets worldwide. France: To attend a meeting of selected EU and OECD countries related to tax havens.
(2) How many nights were spent overseas	Three
(3) What were the dates and venues	19 October 2008 – Brussels 20 – 21 October 2008 – Paris
(4) How many meetings did the Minister or Parliamentary Secretary attend	11 (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – one Ministerial – one
(6) What was the aggregate cost	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> – A\$13,678.00
<b>Trip no. 3 – Belgium, Brussels and Paris, France – 18-23 October 2008 (cont.)</b>	
(7) Can an itemised account be provided of the costs for the following:	<b>Minister's costs</b> – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits <b>Departmental officials costs</b> - provided below
(a) transportation;	A\$210.35
(b) travel allowance includes incidentals	A\$1049.60
(c) accommodation;	A\$1972.45
(d) meals; and	Included in (b)

(e) other expenses, paid for by the Commonwealth A\$59.83  
in relation to the Minister, Parliamentary Secretary  
and other staff

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**Minister for Housing and Minister for the Status of Women: Overseas Travel**  
**(Question Nos 1029 and 1030)**

**Senator Ronaldson** asked the Minister representing the Minister for Housing and the Minister representing the Minister for the Status of Women, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

- (1) What was the purpose.
- (2) How many nights were spent overseas.
- (3) What were the dates and venues.
- (4) How many meetings did the Minister or Parliamentary Secretary attend.
- (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
- (6) What was the aggregate cost.
- (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

**Senator Chris Evans**—The Minister for Housing and the Minister for the Status of Women has provided the following answer to the honourable senator's question:

Senator Ronaldson, the answer to your question concerning travel overseas by the Minister for Housing and the Status of Women since 25 November 2007 is a nil response.

**Minister for Small Business, Independent Contractors and the Service Economy: Overseas Travel**  
**(Question No. 1033)**

**Senator Ronaldson** asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

- (1) What was the purpose.
- (2) How many nights were spent overseas.
- (3) What were the dates and venues.
- (4) How many meetings did the Minister or Parliamentary Secretary attend.
- (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
- (6) What was the aggregate cost.
- (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and their staff.

**Senator Carr**—The Minister for Small Business, Independent Contractors and the Service Economy has provided the following answer to the honourable senator's question:



Since 25 November 2007, Minister Emerson has travelled overseas once to New Zealand on ministerial business from 22 to 23 May 2008.

- (1) The purpose of the trip was to attend the Small Business Ministerial Council Meeting.
- (2) One night was spent overseas.
- (3) The Small Business Ministerial Council Meeting was held at the Christchurch City Council Chambers on 23 May 2008.
- (4) Minister Emerson attended one meeting.
- (5) Minister Emerson was accompanied by his Chief of Staff. Two departmental officers also attended the meeting but did not accompany the Minister.
- (6) I refer Senator Ronaldson to the report Parliamentarians' travel costs paid for by the Department of Finance and Deregulation which is tabled biannually and gives details of the dates and purposes of the travel, the countries of destination and the costs of the visits. The bulk of transactions for Minister Emerson's trip were reported in the December 2008 tabling report. It is expected that the balance will be reported in June 2009. Further information on ministerial visits is also available on ministerial web sites and in media releases and reports.
- (7) Please refer to the answer provided for question (6).

**Minister for Superannuation and Corporate Law: Overseas Travel**  
**(Question No. 1034)**

**Senator Ronaldson** asked the Minister for Superannuation and Corporate Law, upon notice, on 25 November 2008:

Has the Minister or any associated Parliamentary Secretary travelled overseas on parliamentary or ministerial business since 25 November 2007; if so, for each trip:

- (1) What was the purpose.
- (2) How many nights were spent overseas.
- (3) What were the dates and venues.
- (4) How many meetings did the Minister or Parliamentary Secretary attend.
- (5) How many departmental and/or personal ministerial staff accompanied the Minister or Parliamentary Secretary.
- (6) What was the aggregate cost.
- (7) Can an itemised account be provided of the costs for the following: (a) transportation; (b) travel allowance; (c) accommodation; (d) meals; and (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff.

**Senator Sherry**—The answer to the honourable senator's question is as follows:

Trip no. 1 - London UK and Dublin, Ireland – 10-20 January 2008

(1) What was the purpose	Travelled to the United Kingdom for personal reasons 10-20 January 2008. While in London and Dublin, Minister Sherry took the opportunity to meet with a number of representatives from the UK Government.
(2) How many nights were spent overseas	Nine
(3) What were the dates and venues	11-13(am)/14(pm)-19 Jan 2008, London, UK 13(pm)-14(am) January 2008, Dublin, Ireland
(4) How many meetings did the Minister or Parliamentary Secretary attend	25 (includes official functions and speeches)

(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Nil
(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs - Nil
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(a) transportation;	As above
(b) travel allowance; includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above

Trip no. 2 – Madrid, Spain and the London, United Kingdom – 1-9 May 2008

(1) What was the purpose	To attend the Annual Meetings of the Asian Development Bank (ADB); UK: To meet ministerial counterparts and senior government officials.
(2) How many nights were spent overseas	six
(3) What were the dates and venues	1-6 May 2008 – Madrid, Spain 6-7 May 2008 – London, UK
(4) How many meetings did the Minister or Parliamentary Secretary attend	28 (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – three Ministerial – one
(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – A\$43641.38
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is ta-

	bled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – provided below
(a) transportation;	A\$60.64
(b) travel allowance; includes incidentals	A\$2338.61
(c) accommodation;	A\$4993.81
(d) meals; and	Included in (b)
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	A\$696.07

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 Trip no. 3 – Wellington, New Zealand – 13-15 June 2008
 

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|---|---|
| (1) What was the purpose  | To attend the Australia New Zealand Leadership Forum.   |
| (2) How many nights were spent overseas   | two   |
| (3) What were the dates and venues  | 13-15 June 2008, Wellington, New Zealand  |
| (4) How many meetings did the Minister or Parliamentary Secretary attend  | Two (includes official functions and speeches)  |
| (5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary      | Departmental – one<br>Ministerial – one   |
| (6) What was the aggregate cost   | Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits<br>Departmental officials costs – A\$3551.86     |
| (7) Can an itemised account be provided of the costs for the following:   | Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits<br>Departmental officials costs – provided below |
| (a) transportation;   | A\$28.89  |
| (b) travel allowance; includes incidentals  | A\$366.09   |
| (c) accommodation;  | A\$487.58   |
| (d) meals; and  | Included in (b)   |
| (e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff | A\$49.53  |

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 Trip no. 4 - Canterbury, New Zealand – 24-25 July 2008
 

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|--------------------------------------|--|
| (1) What was the purpose             | To attend and Chair a meeting of the Ministerial Council for Corporations. |
| (2) How many nights were spent over- | One  |

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seas	
(3) What were the dates and venues	24 – 25 July 2008, Christchurch, New Zealand
(4) How many meetings did the Minister or Parliamentary Secretary attend	Three (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – none Ministerial - one
(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(a) transportation;	As above
(b) travel allowance; includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above
Trip no. 5 - New York and Washington D.C., U.S.A. -20-27 August 2008	
(1) What was the purpose	Sign Framework Agreement between the US and Australia on Mutual Recognition of Securities Regulations; meet ministerial counterparts and finance regulators to discuss securities market regulation, the global financial and credit situation and banking operations.
(2) How many nights were spent overseas	Five
(3) What were the dates and venues	20-23 August 2008, New York 23-25 August 2008, Washington D.C
(4) How many meetings did the Minister or Parliamentary Secretary attend	13 (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – none Ministerial - one

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(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(a) transportation;	As above
(b) travel allowance; includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above

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Trip no. 6 - Vanuatu, 26-29 October 2008

(1) What was the purpose	To attend the Forum Economic Ministers' Meeting (FEMM).
(2) How many nights were spent overseas	three
(3) What were the dates and venues	26-29 October 2008, Port Vila, Vanuatu
(4) How many meetings did the Minister or Parliamentary Secretary attend	10 (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – three Ministerial – one
(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – A\$11402.55
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – provided below
(a) transportation;	A\$35.00

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(b) travel allowance; includes incidentals	A\$1326.40
(c) accommodation;	A\$2225.27
(d) meals; and	Included in (b)
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	A\$330.91
Trip no. 7 - Auckland, New Zealand – 13-15 November 2008	
(1) What was the purpose	To attend the Association of Superannuation Funds of Australia 2008 Conference.
(2) How many nights were spent overseas	Two
(3) What were the dates and venues	13-15 November 2008, Auckland, New Zealand
(4) How many meetings did the Minister or Parliamentary Secretary attend	Four (includes official functions and speeches)
(5) How many departmental and/ or personal ministerial staff accompanied the Minister or Parliamentary Secretary	Departmental – none Ministerial - one
(6) What was the aggregate cost	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(7) Can an itemised account be provided of the costs for the following:	Minister's costs – Please refer to the report 'Parliamentarians' travel costs paid for by the Department of Finance and Deregulation', which is tabled biannually and gives details of the dates and purpose of the travel, the countries of destination and the costs of the visits Departmental officials costs – Nil
(a) transportation;	As above
(b) travel allowance; includes incidentals	As above
(c) accommodation;	As above
(d) meals; and	As above
(e) other expenses, paid for by the Commonwealth in relation to the Minister, Parliamentary Secretary and other staff	As above

**Prime Minister and Cabinet: Publication**

**(Question No. 1041)**

**Senator Ronaldson** asked the Minister representing the Prime Minister, upon notice, on 27 November 2008:

With reference to the Department of the Prime Minister and Cabinet publication, *Australian Government: One Year Progress Report*, dated November 2008:

- (1) How much funding has the Government allocated to compile, produce, publish and distribute this publication.
- (2) Which Government departments and agencies were involved in the compilation, drafting, production, printing and distribution of this publication.

- (3) How many departmental staff were involved in the compilation, drafting, production, printing and distribution of this publication.
- (4) How many departmental staff hours were expended in the compilation, drafting, production printing and distribution of this publication.
- (5) (a) How many hard copies of this publication have been produced; and (b) have these, or will these, publications be direct mailed or sent through unaddressed mail.
- (6) How much has been budgeted towards distribution costs for this publication.
- (7) Were any external consultants required to help produce this publication; if so, for each consultant: (a) who was the consultant; (b) what did the consultancy cost; and (c) can an itemised list of the expenditures of the contract be provided.
- (8) Was this publication, or elements of it, focus group tested; if so, how much did that research cost taxpayers.
- (9) How many soft copies, or a weblink to this publication, have been distributed electronically.
- (10) Have soft or electronic copies of this publication been distributed through the databases acquired from third party organisations or websites, including GetUp! and trade unions.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

- (1) The overall cost for the design, typesetting and printing of the report was \$15,746.50 (GST inclusive). It was professionally designed and prepared for on-line publication.
- (2) The Report was prepared by the Department of the Prime Minister and Cabinet (PM&C) based on material provided by departments. It was then finalised through the Prime Minister's Office (PMO), in consultation with other ministerial offices. The Foreword was prepared in the PMO.
- (3) A number of staff provided factual input to the Report from across PM&C and other departments. The majority of work was done over several days by a small team.
- (4) It is impossible to estimate the exact number of hours involved in the preparation of the report (the department does not record this type of information).
- (5) (a) A total of 10 copies of the report were produced. PM&C subsequently printed a copy of the report inhouse to send to a member of the public upon their request; and  
(b) No.
- (6) No costs have been incurred in relation to the distribution of the report.
- (7) No consultants were used in the making of the report.
- (8) PM&C conducted no focus group testing of the publication.
- (9) PM&C placed the soft copy of the publication on the Prime Minister's and PM&C's website on 21 November 2008.
- (10) PM&C have not distributed the publication through any databases.

**Council of Australian Governments: Funding  
(Question No. 1045)**

**Senator Cormann** asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 1 December 2008.

- (a) How much of the funding offered by the Prime Minister at the Council of Australian Governments was already incorporated in the contingency reserve inherited from the Howard Government in December 2007; and (b) how much of the funding was new money.

**Senator Sherry**—The Minister for Finance and Deregulation has supplied the following answer to the honourable senator's question:

- (a) As at December 2007 the Contingency Reserve contained provision for total funding of \$1.962 billion relating to the Australian Health Care Agreements from 2008-09. The estimates in the contingency reserve were for indexation attributable to future weighted population growth and utilisation growth factors.
- (b) At the Pre-election Economic and Fiscal Outlook (PEFO) the forward estimates for the Australian Health Care Agreements totalled \$40.717 billion including provision in the Contingency Reserve over the forward estimates for 2008-09 to 2011-12 (the last year of the forward estimates at that time). The Prime Minister's announcement at COAG of December 2008 provided funding for the new National Health Care Agreement of \$46.651 billion for the years 2008-09 to 2011-12 (\$60.514 billion for the years 2008-09 to 2012-13).

**Prime Minister and Cabinet: Program Funding**

**(Question No. 1052)**

**Senator Abetz** asked the Minister representing the Prime Minister, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

- (1) (a) (i) to (iii) For the 2007-08 financial year the following programs were underspent<sup>1</sup> by each FMA agency in the Portfolio (excluding the Department of Climate Change and their related agency who will respond separately):

Entity	Departmental/ Administered	Program	Underspend <sup>1</sup> \$'000	Reason for Underspend
Department of the Prime Minister and Cabinet	Administered	Other	2,255	Decrease mainly due to an underspend on state occasions and official visits resulting from a change in government.
Department of the Prime Minister and Cabinet	Departmental	Other	2,987	Underspend mainly a result of APEC and savings on depreciation.
Australian Institute of Family Studies	Departmental	Other	100	Mainly due to publications that were delayed as a result of the election process.
Australian National Audit Office	Departmental	Other	2,098	Underspend is primarily due to decrease in expenditure from employee departures and delays in projects.



Entity	Departmental/ Administered	Program	Underspend <sup>1</sup> \$'000	Reason for Underspend
Australian Public Service Commission	Departmental	Other	525	Underspend was mainly due to lower net cost of operations of the Career Transition and Support Centre.
National Archives Authority of Australia	Departmental	Other	1,692	Underspend was a result of lower than expected employee and supplier expenses. Delays and difficulties in recruitment, particularly in the context of the tight labour market in the ACT, had an impact on activities in 2007-08.
Office of National Assessments	Departmental	Other	815	Managed underspend to meet future planned accommodation expenses.
Office of the Inspector-General of Intelligence Services	Departmental	Other	152	Underspend was due to delays in recruitment activities resulting from difficulties attracting suitable applicants and the delays associated with the security vetting process.
Office of the Official Secretary to the Governor-General	Departmental	Other	830	Underspend due to delayed projects.
Office of the Official Secretary to the Governor-General	Administered	Other	173	Underspend due to drop in Honours medals purchased (fewer than planned nominations).
Office of the Privacy Commissioner	Departmental	Other	83	The Office had a Finance Minister approved operating loss for 2007-08 of \$0.5m ,however reported a slightly better result.
Portfolio Total			11,710	

(b) (i) to (iii) For the 2007-08 financial year the following programs were overspent<sup>1</sup> by each FMA agency in the Portfolio (excluding the Department of Climate Change and their related agency who will respond separately):

Entity	Departmental/ Administered	Program	(Overspend) <sup>1</sup> \$'000	Reason for Overspend
Office of the Commonwealth Ombudsman	Departmental	Other	(157)	Overspend associated with the Northern Territory Emergency Response.
Portfolio Total			(157)	

- (2) The following FMA agencies within the Portfolio (excluding the Department of Climate Change and their related agency who will respond separately) will be returning money as a result of underspends in 2007-08.

Department/ Agency	Administered Section 8 \$'000	Departmental No Win No Loss \$'000	Total Return \$'000
Department of the Prime Minister and Cabinet	1,820	5,658	7,479
Australian Public Service Commission	300	-	300
Office of the Official Secretary to the Governor-General	160	-	160
Office of the Commonwealth Ombudsman	-	100	100
Portfolio Total	2,280	5,758	8,038

An underspend within a program does not portend a return of funds except in the case of no win no loss activities.

<sup>1</sup> Under and overspends are based on the actual financial results measured against the revised budget for 2007-08 as published in the 2008-09 Portfolio Budget Statements.

**Education, Employment and Workplace Relations, Social Inclusion, Employment Participation and Youth: Program Funding**

**(Question Nos 1053, 1054, 1055, 1081 and 1086)**

**Senator Abetz** asked the Minister representing the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion; the Minister for Employment Participation; and the Minister representing the Minister for Youth, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend. (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Carr**—The Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion; the Minister for Employment Participation; and the Minister for Youth have provided the following answer to the honourable Senator's question:

- (1) The information on the level of program under/overspends is found in the Annual Report of the department and each agency. The table below lists the appropriate page numbers. The department does not publish explanations for variations.

Agency	Reference page number in the annual report Page number
Department of Education, Employment and Workplace Relations	
Outcome 1 – Early Childhood education and child care	30
Outcome 2 – School education	46

Agency	Reference page number in the annual report
	Page number
Outcome 3 – Higher education	77
Outcome 4 – Vocational education and training	101
Outcome 5 – Transitions and youth	120
Outcome 6 – International influence	133
Outcome 7 – Labour market assistance	151
Outcome 8 – Workforce participation	191
Outcome 9 – More productive and safer workplaces	217
Australian Fair Pay Commission Secretariat	9
Australian Industrial Relations Commission / Australian Industrial Registry	163
Australian Learning and Teaching Council	
Comcare	120
Office of the Australian Building and Constructions Commissioner	61
Teach Australia – Australian Institute for Teaching and School Leadership	
Workplace Authority	54
Workplace Ombudsman	107

- (2) The Department of Education, Employment and Workplace Relations returned \$657.7 million to budget in the 2008-09 financial year as a result of underspends in the 2007-08 financial year.

**Treasury: Program Funding**  
**(Question Nos 1056, 1076, 1077 and 1084)**

**Senator Abetz** asked the Minister representing the Treasurer, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator's question:

**Australian Accounting Standards Board**

- (1) (a) Yes
  - (i) All the AASB's activities are part of one program
  - (ii) \$537,372
  - (iii) The main reason is that employee benefit costs included in the profit and loss were lower than the budgeted costs which included actuarial losses relating to the AASB's defined benefit superannuation plan. Costs of \$595,000 relating to the movement for the year from an asset to a liability associated with the AASB's defined benefit superannuation plan (actuarial losses) were instead recognised directly in equity in accordance with Finance Minister's Orders.
- (b) No

(2) No

**Australian Bureau of Statistics**

The ABS has a nil response.

**Australian Competition and Consumer Commission**

- (1) (a) (i) N/A  
 (ii) ACCC under spent expenditure by \$4.85 million.  
 (iii) The underspend was primarily due to litigation settlement costs being less than budgeted.
- (b) (i) No  
 (ii) N/A

(2) No

**Australian Office of Financial Management**

- (1) The Australian Office of Financial Management (AOFM) has only one program: - Commonwealth debt management.
- (a) For 2007-08, the AOFM incurred departmental expenses of \$7.512 million as compared to Budget estimates (at Budget time 2007-08) of \$9.395 million. The underspend of \$1.883 million was due to lower than expected employee, supplier and depreciation expenses.
- (b) For 2007-08, the AOFM incurred administered expenses of \$5,351.002 million (before unrealised mark-to-market re-measurements) as compared to Budget estimates (at Budget time 2007-08) of \$5,163.781 million. The overspend of \$187.221 million was due to higher interest costs on the debt portfolio due to an increase in domestic interest rates.

(2) No.

**Australian Prudential Regulatory Authority**

- (1) (a) and (b) APRA participates in one program, that of Standard Business Reporting (SBR). In 2007/08, APRA received an appropriation via the 2007/08 Portfolio Additional Estimates of \$0.7 million for SBR. In 2007/08, only \$0.2 million of this appropriation was applied to the SBR program, because of phasing delays in the initial stages of the SBR program. The 2007/08 underspend of \$0.5 million was subsequently returned to the Treasury via the 2008/09 Portfolio Additional Estimates.
- (2) APRA had an operating deficit from ordinary activities in 2007/08, the counter party largely of the planned return of reserves to industry.

**Australian Securities and Investment Commission**

- (1) and (2) ASIC's only departmental programme, 'Other', was budgeted to break even in 2007-08. ASIC's actual operating result for 2007-08 financial year was a surplus of \$18.183m. The surplus results from changes to the timing of expenditure of a major IT Project. Revenue from Government received in 2007-08 to fund this initiative will now be utilised in future financial years. Accordingly, ASIC does not plan to return any funding to the government as a result of the underspend in 2007-08.

**Australian Taxation Office**

(1) (a)

Expense	Variance (\$mil)	Explanation

Expense	Variance (\$mil)	Explanation
Film & TV	-53	Decrease Film & TV subsidies expense is due to much lower number of approvals granted by Film Finance Corporation (FFC) or DEWHA before 30 June 2008. Information for the 2007-08 Film & TV estimate at 2008-09 Budget was sourced from FFC and DEWHA.
Cleaner fuel for better environment	-34	Tallow (a type of fuel) was included in the estimate, however, production of this fuel never commenced. The estimate also assumed that production of Ultra Low Sulpha Diesel (ULSD) would significantly increase. Claims for ULSD did increase during the 2007-08 financial year, but at less than half the amount originally expected.

Note: the ATO Budgets on a financial year basis. The above response is based on accrual expenditure for the 2007-08 financial year compared to the 2007-08 MYEFO Budget. Funding for these programs is by way of a special appropriation - unlimited in time and value. Payments are made in accordance with the legislation.

(b)

Expense	Variance (\$mil)	Explanation
Fuel Tax Credit (FTC)	250	The increase in FTC expense is mainly due to immaturity of the program resulting in: * an underestimation of 2006-07 payments recognised in 2007-08 FTC expense (late claims exceeded expectations) and * higher than expected growth in consumption of fuel used in eligible activities (in particular the mining sector) and an expansion of eligible activities (i.e. domestic electricity generation) for the fuel scheme.
Product Stewardship (waste) Oil (PSO)	7	Claims were higher than estimated.
Research & Development Tax Offset (R&D)	51	Increase in R&D expense is due to higher than expected growth rate (8% to 15%) in 2007-08 R&D claims based on economic activity in relevant industry sectors and increased activities by AUS Industry to increase awareness of the scheme
Private Health Insurance Rebate (PHI)	6	Historical trends show claims through the Tax returns are decreasing. The estimated decrease in claims was slightly lower than estimated.
Family Tax Benefit (FTB)	208	Increase FTB expense is due to: * a higher than expected 2007-08 estimate of entitlement and reconciliation credit claims and * higher than expected increase in net entrant rate.
First Child Tax Offset (Baby Bonus)	14	The increase in Baby Bonus expense is due to lower than expected drop out rate in claimants for this scheme.
Superannuation Co-Contributions	732	A significant increase in late payments (in relation 2005-06 entitlements paid in 2007-08) was observed causing an increase in the accounting estimate for 2007-08. This increase was not reflected in full at the MYEFO Budget update.

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Expense	Variance (\$mil)	Explanation
SGC	147	Focus on compliance resulted in larger than expected assessments raised resulting in higher than budgeted expense
IOP	133	Increase IOP expense is due to higher than expected IOP provision for 2007-08 and large IOPs processed in May and June 2008.

Note: the ATO Budgets on a financial year basis. The above response is based on accrual expenditure for the 2007-08 financial year compared to the 2007-08 MYEFO Budget. Funding for these programs is by way of a special appropriation - unlimited in time and value. Payments are made in accordance with the legislation.

(2) No.

#### **Corporations and Markets Advisory Commission**

(1) (a) CAMAC does not have individual programs. Its appropriation for 2007-2008 was \$1,035,000 and had a surplus of \$1,161.

(b) Not applicable

(2) Not applicable.

#### **National Competition Council**

(1) (a) The National Competition Council recorded an underspend in 2007-08.

(i) The program where the underspend occurred was Other Departmental.

(ii) The amount of the underspend was \$1,323,329.

(iii) The underspend was due to lower than anticipated supplier expenses.

(b) The National Competition Council had no overspends in 2007-08.

(2) The National Competition Council will not return money in the 2008-09 Budget.

#### **Inspector-General of Taxation**

(1) (a) (i) and (ii) Underspends for the 2007-2008 financial year and the related programs are publicly available in the Inspector-General's Annual Report.

(iii) The dominant reason was staff absence on unpaid leave.

(b) (i) No.

(ii) Not applicable.

(iii) Not applicable.

(2) No, because unnecessary funds were not drawn down.

#### **Productivity Commission**

(1) The Productivity Commission does not administer programs.

(2) Not applicable.

#### **Royal Australian Mint**

(1) (a) and (b) Not applicable. The Royal Australian Mint operates as Special Account.

(2) Not applicable. The Royal Australian Mint operates as Special Account.

#### **Treasury**

(1) (a) (i) Australia's financial obligations to the International Monetary Fund (Administered Program)

(ii) \$30,000

- (iii) The underspend was a result of exchange rate movements between when the budget was calculated and 30 June 2008.
  - (i) Provision of GST revenue to the States and Territories (Administered Program)
  - (ii) \$300,001,000
  - (iii) GST payments to the States and Territories is reliant on the amount of GST collected, variances to budget are a result of differing levels of economic activity.
  - (i) Programs – Other (Administered Program)
  - (ii) \$8,353,000
  - (iii) The underspend predominantly relates to payments to the States and Territories for the Standard Business Reporting (SBR) program. This program is reliant upon the States providing evidence to the Commonwealth of completion of milestones for payments which was not received by the end of the financial year.
  - (i) Programs – Other (Departmental Program)
  - (ii) \$5,313,000
  - (iii) The underspend was a result of underspends due to minor delays in the SBR program, and other small underspends across the Department.
- (1) (b) No
- (2) No

**Defence: Program Funding  
(Question Nos 1061 and 1082)**

**Senator Abetz** asked the Minister representing the Minister for Defence, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Faulkner**—The Minister for Defence has provided the following answer to the honourable senator's question:

- (1) Defence did not manage programs in 2007-08. The closest equivalent during this period is the output structure. The results for Defence's outputs can be found in the *Defence Annual Report 2007-08* Volume 1, pages 42 to 96, and Volume 2, pages 9-11.
- (2) I refer the honourable senator to my response to House of Representatives Question on Notice No. 455, part (1), published in Hansard on 13 February 2009, page 135.

**Families, Housing, Community Services and Indigenous Affairs: Program Funding  
(Question No. 1063)**

**Senator Abetz** asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio:

- (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and
- (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Chris Evans**—The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator's question:

(1) (a) Program Underspends

(i) Program	(ii) Underspend \$'000	(iii) Reason for Underspend
Community Development and Employment Projects	-30,653	The \$30.653m underspend is proportionally overstated because it includes an amount of \$24.4m transferred between departments as part of Administrative Arrangements Order (AAO) changes. The actual annual underspend for CDEP program is \$6.2m.
Mental Health	-10,483	The underspend relates to delays in tender round caused by change of Government.
Parenting	-3,466	The underspend reflects the change in focus of the Expansion of Playgroups for Indigenous Families program.
Community Engagement	-3,288	The underspend reflects a delay in allocation of funding to discretionary programs.
Family Relationships	-2,869	The underspend is due to a number of factors including delay in implementation of funding agreements and projects and difficulties in undertaking projects in remote areas.
Women's Safety Agenda	-2,802	The underspend is due to cancellation of a media campaign.
Ex-Gratia Payments for Equine Workers Hardship	-1,892	The program is demand driven. The underspend is due to less than expected customer claims.
Ex-Gratia Payments to Unsuccessful Applicants of Carer Payment (Child)	-1,806	The underspend reflects lower than budgeted successful claims.
Services for People with a Disability	-1,796	The underspend is due to slight delays in deliverables against some agreements and services.
Pandemic Influenza Preparedness	-1,469	The underspend reflects savings due to work being completed in house.
Community Housing and Infrastructure/ARIA	-1,114	The underspend reflects a small unallocation of funds from the Flexible Funding Pool.



(i) Program	(ii) Underspend	(iii) Reason for Underspend
Family Violence Partnership SPP	-1,050	The underspend is due to delays and difficulties in undertaking projects in remote areas which resulted in slippage in meeting milestones.
Commonwealth State Territory Disability Agreement	-1,028	This underspend is due to reduced funding being sought by the Tasmanian Government.
Services for Families with children SPP	-546	This underspend is due to no expenditure occurring against this appropriation in 2007-08.
Ex-Gratia Payments to Victims and Family Members of the Bali Terrorist Attacks	-483	The program is demand driven. The underspend is due to less than expected customer claims.
Reimbursement to Great Southern Rail for concessional fares	-438	The program is demand driven. The underspend is due to less than expected customer claims.
Support for Carers	-421	The underspend reflects minor delays in deliverables against some agreements.
Indigenous Leadership	-347	The underspend is due to timing delays in graduation of a small number of participants.
Indigenous Communities Strategic Investment	-221	The underspend is due to delays in signing of some funding agreements.
Youth Homelessness	-217	The underspend is due to a number of minor factors including remoteness.
Services for Families LGA	-166	This underspend is due to no expenditure occurring against this appropriation in 2007-08.
Support for Victims of Trafficking	-154	The program is demand driven. The underspend is due to fewer than expected customer claims.
Homelessness and Housing	-132	The underspend is due to delays in the completion of some contracts.
Women's Leadership and Development	-113	The underspend is due to slippage in undertaking some projects.
Public Awareness	-99	The underspend is due to a slight delay in campaign implementation.
COAG Health Services - Younger People with Disability in Residential Aged Care	-88	This underspend reflects a slight re-allocation of funding between financial years.
Social Housing Subsidy	-69	The underspend is due to a slight delay in meeting some milestones.
Financial Management	-60	The underspend is due to a slight delay in meeting some milestones.
Ex-Gratia Assistance for East Timor 2008	-33	The program is demand driven. The underspend is due to less than expected customer claims.

(i) Program	(ii) Underspend	(iii) Reason for Underspend
Repatriation	-25	The underspend is due to a slight delay in meeting some milestones.
Payments to Universities and Other Organisations for Special Studies and Research	-5	The underspend is due to a slight delay in meeting some milestones.
Payments under Special Circumstances	-2	The program is demand driven. The underspend is due to fewer than expected customer claims.
<b>(1) (b) Programme Overspends</b>		
(i) Program	(ii) Overspend \$'000	(iii) Reason for Overspend
Ex-Gratia Assistance for East Timor Medical Evacuees	28	This program is demand driven. The overspend is due to higher than expected customer claims.
Reconnecting People Assistance Package	68	The overspend is as a result of a payment relating to the 2006-07 financial year not being accrued at 30 June 2007 and being paid in 2007-08.
Payments under s33 of FMA Act 1997	199	This program is demand driven. The overspend is due to higher than expected customer claims.
<b>(2) No, there has been no return of 2008-09 Budget funds as a result of underspends in the 2007-08 financial year.</b>		
The responses for other portfolio entities are as stated below.		
Other Portfolio Entities	Response	
Aboriginal Hostels Limited	(1) (a) For all Aboriginal Hostels Limited (AHL) programs there were no underspends for the 2007-08 financial year (b) For all AHL programs there were no overspends for the 2007-08 financial year (2) Not applicable	
Anindilyakwa Land Council	(1) (a) (b) not responsible for managing programs – Nil Response (2) not applicable	
Central Land Council	(1) (a) (b) not responsible for managing programs – Nil Response (2) not applicable	
Indigenous Business Australia	(1) Indigenous Business Australia (IBA) is governed by the <i>Commonwealth Authorities and Companies Act 1997</i> and is from time to time appropriated monies for specified purposes and programs. For certain programs, implementation could be over more than one financial year. Therefore spending by IBA is not driven by annual timetables but rather the proper planning and implementation of the Government's policies as they relate to commercial development. (a) (i) The monies received by IBA was under the Appropriation (Northern Territory National Emergency Response) Bill (Number 1) and (Number 2).	

Other Portfolio Entities	Response
	(ii) The underspend for the 2007-08 financial year was \$11.066m. (iii) The underspend is due to the reduced time frame in which projects had to run.
Indigenous Land Corporation	(1) (b) Nil return (2) Not applicable (1) (a) (i) The Indigenous Land Corporation (ILC) has one program, which is to provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.  (ii) The underspend for the 2007-08 financial year was \$42 million.  (iii) The underspend occurred mainly as a result of the delay in the commencement and implementation of some projects.  (1) (b) Nil response.
Northern Land Council	(2) Not applicable (1) (a) (b) not responsible for managing programs – Nil Response (2) not applicable (2) Not applicable
Tiwi Land Council	(1) (a) (b) not responsible for managing programs – Nil Response (2) not applicable
Torres Strait Regional Authority	(1) (a) The Torres Strait Regional Authority (TSRA) had no program underspends for the 2007-08 financial year. (b) TSRA had no program overspends for the 2007-08 financial year. (2) Not applicable
Wreck Bay Aboriginal Community Council	(1) (a) (b) not responsible for managing programs – Nil Response (2) not applicable

**Environment, Water, Heritage and the Arts and Climate Change: Program Funding  
(Question No. 1068)**

**Senator Abetz** asked the Minister for Climate Change and Water, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Wong**—The answer to the honourable senator's question is as follows:

(1) (a) Details of administered program underspends in 2007-08 are provided in the following table:

Program	Underspend \$	Reason for the underspend
Department of Climate Change Greenhouse Action to enhance sustainability in regional Australia (GARA)	343,085	Delayed delivery of milestones by contractors and the associated delay in receiving invoices for payment.
Influencing international climate change policy	1,303,635	The Department exercising cautious financial management due to delays in finalising funding transfers to the new Department of Climate Change.
Climate change science program	39,413	The full year budget for the program in 2007-08 was \$7.8m. The bulk of the program was fully spent prior to funding being transferred to the new department.
Australian centre for climate change adaptation	2,963,516	Delays in contract negotiations and milestone payments with changed administrative arrangements.
Total	4,649,649	
Program	Underspend \$	Reason for the underspend
Department of the Environment, Water, Heritage and the Arts (Water) <sup>1</sup> Water for the Future - Restoring the Balance in the Basin	22,670,000	This underspend has been approved by the Finance Minister to be moved to 2008-09 as additional estimates. The Portfolio Additional Estimates Statements 2008-09 show at page 19 the amount of \$22.670 million being moved into 2008-09.
Water for the Future – Living Murray Initiative	1,591,000	This underspend has been approved by the Minister for Finance to be moved into 2008-09 as additional estimates for the same program. The Portfolio Additional Estimates Statements 2008-09 show at page 19 the amount of \$33.378 million additional estimates for the same program in 2008-09. The additional estimate comprises \$31.345 million bring forward from 2009-10 (which is also shown at page 19), the \$1.591 million from 2007-08 and other adjustments of \$0.442 million.
Tasmanian Water Infrastructure	600,000	This program terminated at the end of 2007-08. The unspent amount of \$0.6 million (ie difference between the budget price of \$1.1 million and actual expenses of \$0.5 million) lapsed back to the Consolidated Revenue Fund as the Rudd Government allocated \$140 million for its election commitment to support more efficient irrigation in Tasmania.

Program	Underspend \$	Reason for the underspend
Water Efficiency Labelling and Standards Scheme	42,000	The variance between the budget price of \$150,000 and \$108,000 is \$42,000. This unspent amount remains in the Special Account which has been set up specifically for this program. The annual estimates of Special Accounts are also reported in the Portfolio Additional Estimates Statements 2008-09 pages 29 and 30.
Total	24,903,000	

<sup>1</sup> The water programs are accounted for under Outcome 3 of the Department of the Environment, Water, Heritage and the Arts. The 2007-08 results for Outcome 3 are published in the Department's Annual Report 2007-08. See for instance pages 138 to 156. The resource tables at pages 155 and 156 list under "Administered items" the water programs and provide, for each program, the budget and actual expenses for 2007-08.

- (1) (b) There were no administered program overspends in 2007-08.
- (2) The Department of Climate Change returned \$4,649,649 for the program underspends identified above and the Department of the Environment, Water, Heritage and the Arts (Water) returned \$600,000 for the Tasmania Water Infrastructure program to the Consolidated Revenue Fund at 30 June 2008 when funding lapsed.

**Environment, Water, Heritage and the Arts: Program Funding  
(Question No. 1069)**

**Senator Abetz** asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio:
  - (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and
  - (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Wong**—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator's question:

- (1) (a) The table below identifies those programs in the Minister's portfolio that delivered an underspend in the 2007-08 financial year, the amount of underspend, and the reasons for the underspend.

Program	Underspend \$'000	Reason/s for Underspend
Greenhouse Gas Abatement Program	9,192	The underspend occurred through a combination of a lack of industry participation, milestone slippages, and uncommitted funding for coal mine methane components following protracted contract discussions with proponents.

Program	Underspend \$'000	Reason/s for Underspend
Solar Hot Water Rebate Program	8,655	This is a demand driven program where the underspend has arisen through insufficient applications being received to fully commit the budget.
Scout Hall Water Saving Infrastructure Program	5,884	Funding for this program was appropriated equally over three financial years (2006-07, 2007-08 and 2008-09). In 2007-08 demand for the program was not as high as expected and this led to the underspend reported.
Art Indemnity Australia (AIA)	2,679	Actual premium costs for exhibitions indemnified under the AIA program can vary significantly from estimates due to variations in the valuations of cultural material to be indemnified and changes to the AIA exhibition schedule after funding estimates have been developed.
Point Nepean Heritage Program	2,604	Funding for this program was appropriated equally over three financial years (2006-07, 2007-08 and 2008-09). In 2007-08 there were delays in incurring expenses due to the nature of the work of the Point Nepean Community Trust.
Securing Australia's Energy Future - Solar Cities	2,196	The underspend is due to protracted funding agreement negotiations with proponents resulting in delays in the commencement of work and subsequent delays in payment.
Renewable Remote Power Generation Program	1,844	The underspend has resulted from projects being delayed due to protracted funding agreement negotiations with proponents, which resulted in delays in the commencement of work and subsequent payment.
Cultural Development Program	1,563	The underspend is mainly due to the proposed Slim Dusty Museum not proceeding as the proponent was unable to raise other necessary funding. There was also a small underspend in Regional Arts funding.
Protecting Australia's Biodiversity Hot Spots	1,425	The underspend is due primarily to two of the voluntary acquisitions approved by the Minister not proceeding and some of the successful voluntary acquisitions costing less than originally anticipated.
Action on Energy Efficiency	667	The underspend is the result of payment of \$0.667m being treated as a prepayment. This payment represents a 2008-09 contribution to the Special Energy Fund.
Low Emissions Technology and Abatement	638	The underspend is the result of a lack of industry participation in this program resulting in uncommitted funds.

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Program	Underspend \$'000	Reason/s for Underspend
Ozone Protection & Synthetic Greenhouse Gas Account	627	The underspend is the result of a delay in expenditure under the program due to an update of data on the size, growth and emissions from the bank of ozone depleting substances and synthetic greenhouse gases. The report was completed during 2008 and a revised program is being developed
Indigenous Broadcasting	533	While Indigenous Broadcasting reported an underspend, Indigenous Arts and Culture reported an overspend. The combined variance was a less material \$0.235m underspend largely due to the delay of a final payment for the Indigenous Broadcasting Program and approved organisations funded under the Indigenous Arts and Culture program facing expenditure delays through unexpected difficulties or capability issues.
Advanced Electricity Storage Technologies	500	This program was transferred to the Department of Resources, Energy and Tourism, however an incorrect balance was transferred resulting in lapsed funding.
Alternative Fuels Conversion Program	455	This program terminated at the end of the financial year. The underspend reflects a lack of technology maturity within the industry for the purposes of this program (i.e. minimum 5% greenhouse benefit required on new technology).
Tackling Climate Change - Solar Homes and Communities Plan (SPP)	258	The underspend reflects the balance of funding remaining after all required funds had been paid to State Governments.
Environmental Stewardship Program	230	The underspend arose primarily as a result of delays in appointing a delivery agent to administer a project targeting Box Gum Grassy Woodland in the Lachlan and Murrumbidgee CMA regions in NSW. The initial tender prices were considered to be too high and a second tender round was required to appoint the delivery agent.

Program	Underspend \$'000	Reason/s for Underspend
A Sustainable Future Tasmania - Mole Creek	207	The underspend was a result of minimal landowner participation in the program. Landowners' involvement in the Mole Creek program was voluntary and as a result the number of hectares of forest offered for sale or protection under conservation covenant was entirely dependent on landowner participation. All landowners in the Mole Creek area had the opportunity to engage in the program and all proposals that met the Government's objective of long-term conservation gains were approved. The program was a tripartite agreement between the Federal Government, the Victorian Government and the Whitehorse City Council. The underspend has resulted from the contracted costs for conveyancing being less than budgeted.  The underspend for this new initiative was the result of a delay in the announcement of the winners until 12 September 2008. A movement of funds request approved the rephasing of the funding to the 2008-09 financial year. These programs all delivered small underspends as a result of normal variations in program forecasting and implementation.
Blackburn Lake Sanctuary (SPP)	200	
A Creative Australia - Prime Minister's Literary Awards	200	
Public Lending Right	70	
Working on Country	31	
National Heritage Trust	25	
Connect Australia	22	
A Sustainable Future for Tasmania - Private Land Program	18	
Greenhouse Action to Enhance Sustainability in Regional Australia	14	
Local Greenhouse Action	7	
Australian Biological Resources Study	1	
Biofuels Task Force	1	
(b) The table below outlines those programs in the Minister's portfolio that delivered an overspend in the 2007-08 financial year, the amount of the overspend, and the reasons for the overspend.		
Program	Overspend \$'000	Reason for Overspend
Renewable Remote Power Generation Program (SPP)	1,573	The overspend is the result of the Department being over-committed in funding agreements with States.
Renewable Energy Equity Fund	864	The overspend is due to an accounting requirement to recognise a provision for doubtful debts that relates to a loan to the 'Innovation Investment Fund' (IIF) should they be unable to repay the debt.

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Program	Overspend \$'000	Reason for Overspend
Gallery of Australian Democracy	833	Transfer of associated budget estimate from the former Department of Communications, Information Technology and the Arts to DEWHA appears to have been overlooked in Machinery of Government changes. DBCDE processed expenditure on behalf of the DEWHA Arts/Culture function for several months after the MOG change. It is likely actual program expenditure or associated estimates may have been miscoded across programs on transfer from DBCDE to DEWHA.
Indigenous Arts and Culture	298	While Indigenous Arts and Culture reported an overspend, Indigenous Broadcasting reported an underspend. The combined variance was a less material \$0.235m underspend largely due to the delay of a final payment for the Indigenous Broadcasting Program and approved organisations funded under the Indigenous Arts and Culture program facing expenditure delays through unexpected difficulties or capability issues.
Tackling Climate Change - Solar Homes and Communities Plan	156	The overspend in this demand-driven program is largely due to timing of payments and the recognition of accruals.
Educational Lending Right	26	These programs all delivered small overspends as a result of normal variations in program forecasting and implementation.
Tackling Climate Change – National Solar Schools Program	20	
Historic Hotels	8	

The Department of the Environment, Water, Heritage and the Arts will return \$12.1m in the 2008-09 financial year as a result of underspends in the 2007-08 financial year.

No Agency within the Minister's portfolio will return unspent 2007-08 money in 2008-09.

### **Human Services: Program Funding**

#### **(Question No. 1071)**

**Senator Abetz** asked the Minister for Human Services, in writing, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Ludwig**—The answer to the honourable senator's question is as follows:

- (1)

**Department of Human Services**

Program Name	Underspend (Y/N)	Overspend (Y/N)	Amount of (Under)/Over spend (\$m)	Reason
Other Administered Programs	Y	N	(\$3.023)	The underspends were due to lower activity than initially anticipated.

**Medicare Australia**

Program Name	Underspend (Y/N)	Overspend (Y/N)	Amount of (Under)/Over spend (\$m)	Reason
Other Departmental	N	Y	\$6.277	The estimated operating result for 2007–08 was an operating loss of \$6.7m (refer 2008–09 PBS). The actual loss was slightly lower at \$6.277m (refer 2007-08 Annual Report and PAE's). The operating loss was due to unrealised savings in electronic Medicare take-up.
Other Administered	N	N	0	An amount of \$3.492m was appropriated via Appropriation Act (No. 4) 2007-2008. An amount of \$2.091m was re-phased from 2007-08 to 2008-09 (\$0.363m) and 2009-10 (\$2.091m). The balance of (\$1.401m) was expensed in 2007-08 by way of accrual.

**Centrelink**

Nil.

(2)

**Department of Human Services**

Program Name	Return money to 2008-09 budget (Y/N)	Amount to be returned (\$m)
Other Administered Programs	Y	\$3.023

**Medicare Australia**

Program Name	Return money to 2008-09 budget (Y/N)	Amount to be returned (\$m)
Other Departmental	N	0
Other Administered	N	0

Note: The above information has been provided on an accrual basis in accordance with Medicare Australia's Portfolio Budget Statements 2008-09, Portfolio Additional Estimates 2008-09, and Annual Report 2007-08.

**Centrelink**

Nil.

**Resources, Energy and Tourism: Program Funding**  
**(Question Nos 1073 and 1074)**

**Senator Abetz** asked the Minister representing the Minister for Resources and Energy and the Minister for Tourism, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio: (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Carr**—The Minister for Resources and Energy and the Minister for Tourism have provided the following answer to the honourable senator's question:

(1)

**Department of Resources, Energy and Tourism**

December 2007 - June 2008

Program	Variance when compared to the Portfolio Additional Estimates Statements Estimates \$m	Reason
Overspends - Administered		
Offshore Petroleum Royalties	(51.5)	There are three factors that influence the variation in royalty estimates - oil price, production levels and the exchange rate for the Australian/US dollars. These factors vary continuously and it is difficult to pin down which factor may have had the dominant impact. Likely factor influencing the variance is increased production.
Administered - Other	(16.7)	Due to greater payments for Ashmore & Cartier Islands Royalties and Offshore Petroleum Fees.
Ethanol Production Subsidy	(4.9)	The historical trend of production which the budget is based on, to actual production of ethanol can vary over the year producing variances in the actual expenditure to budget.
Underspends - Administered		
Advanced Electricity Storage Technologies	2.5	There were technical issues with projects causing milestone slippages.

Radioactive Waste Management	4.1	The underspend arises from reduced activity pending development of a comprehensive radioactive waste management strategy.
Snowy Hydro Ltd - Company Tax Compensation capital	9.0	Tax payments lower than estimated due to drought conditions.
Low Emissions Technology Demonstration Fund (RET) -- Administered	14.0	The variance is due to delays in two projects and movement of financial responsibility for another project to the Clean Coal Fund and the withdrawal of the LETDF offer for another project.
Asia-Pacific Partnership on Clean Development & Climate	18.7	Due to slippage in the expected progression of projects from issues out of control of the Department.
Overspend - Departmental		
Departmental – Other*	(5.7)	The overspend for the Financial year relates to significantly greater one off set-up costs for the Department than funded.

\* A \$3.0 million overspend was reported in the 2007-08 audited financial statements. This is different from the variance reported here due to the finalisation of the section 32 transfers and the variance in section 31 revenue estimates following Additional Estimates.

#### Geoscience Australia

Program	Variance \$m	Reason
Overspends – Departmental		
Other - Departmental	(0.9)	The main reason for the underspend was to offset an approved operating loss in 2008-09 of \$6.945M in relation to two NPP's - Carbon Capture and Storage and Pre-competitive Data and Promotion of Petroleum Exploration.

#### Tourism Australia

Program	Variance \$m	Reason
Underspend – Departmental		
Other - Departmental	6.9	This underspend was due to foreign exchange gains, in relation to the exchange rates advised at the commencement of the financial year 2007/08

(2)

Tourism Australia will return \$6.2 million to budget in accordance with the foreign exchange reporting guidelines. No other agencies within the Resources, Energy and Tourism Portfolio have amounts to be returned to budget as a result of underspends.

Administered annual appropriations lapse at the end of each financial year, therefore any unspent funding is not available to the agency in the following financial year.

**Families, Housing, Community Services and Indigenous Affairs: Program Funding  
(Question No. 1079 and 1080)**

**Senator Abetz** asked the Minister representing the Minister for Housing and the Minister representing the Minister for the Status of Women, upon notice, on 3 December 2008:

- (1) Given that spending on individual programs is not reported in either the budget papers or annual reports, did any programs in the Minister's portfolio:
  - (a) have underspends for the 2007-08 financial year; if so, for each underspend: (i) in what program did it fall, (ii) how much was the underspend, and (iii) what was the reason for the underspend; and
  - (b) have overspends for the 2007-08 financial year; if so, for each overspend: (i) in what program did it fall, (ii) how much was the overspend, and (iii) what was the reason for the overspend.
- (2) Will any agencies and/or departments in the Minister's portfolio return money in the 2008-09 Budget as a result of underspends for the 2007-08 financial year; if so, how much.

**Senator Wong**—The Minister for Housing and the Minister for the Status of Women has provided the following answer to the honourable senator's question:

- (1) (a) Program Underspends

(i) Program	(ii) Underspend \$'000	(iii) Reason for Underspend
Women's Safety Agenda	-2,802	The underspend is due to cancellation of a media campaign.
Support for Victims of Trafficking	-154	Expenditure in this program is demand driven. The underspend is due to fewer than expected customer claims.
Women's Leadership and Development	-113	The underspend is due to slippage in undertaking some projects.

These programmes are administered by the Department of Families, Housing, Community Services and Indigenous Affairs and are therefore included in the answer to the Senate Question on Notice number S1063.

- (b) There were no programmes that overspent appropriation in 2007-08.
- (2) No, there has been no return of 2008-09 Budget funds as a result of underspends in the 2007-08 financial year.

**Prime Minister and Cabinet: Program Funding  
(Question No. 1088)**

**Senator Abetz** asked the Minister representing the Prime Minister, upon notice, on 3 December 2008:

- (1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister's portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
- (2) How much depreciation funding for each department or agency in the Minister's portfolio: was available as at 30 June 2008; was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

- (1) (a) I am advised that, for the period 1 December 2007 to 30 June 2008, the following amounts were committed under Regulation 10 of the FMA Act by each FMA agency in the Portfolio (excluding the Department of Climate Change and their related agency who will respond separately):

Department/Agency	Amount \$'000
Department of the Prime Minister and Cabinet	2,101
Australian Public Service Commission	597
Office of the Official Secretary to the Governor General	Nil
Australian National Audit Office	5,012
Office of the Inspector-General of Intelligence and Security	Nil
Australian Institute of Family Studies	388
Office of the Privacy Commissioner	Nil
Office of the Commonwealth Ombudsman	665
National Archives of Australia	6,588
Office of National Assessments	296
<b>TOTAL</b>	<b>15,647</b>

- (b) I am advised that, for the period 1 December 2007 to 30 June 2008, all the expenditure committed under Regulation 10 was approved at the department or agency level. No Regulation 10 approval was sought from the Minister of Finance and Deregulation.
- (2) (a) and (b) I am advised that the depreciation expense and asset purchases for 2007-08 were as follows:

Department/Agency	Depreciation Expense \$'000	Asset Purchases \$'000
Department of the Prime Minister and Cabinet	4,383	3,091
Australian Public Service Commission	1,478	1,702
Office of the Official Secretary to the Governor General	203	1,936
Australian National Audit Office	1,591	1,860
Office of the Inspector-General of Intelligence and Security	17	59
Australian Institute of Family Studies	297	122
Office of the Privacy Commissioner	30	76
Office of the Commonwealth Ombudsman	783	286
National Archives of Australia	12,680	3,171
Office of National Assessments	2,945	1,669
<b>TOTAL</b>	<b>24,407</b>	<b>13,972</b>

- (c) The budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular assets or programs.

**Treasury: Program Funding**  
**(Question Nos 1092, 1112, 1113 and 1120)**

**Senator Abetz** asked the Minister representing the Treasurer, upon notice, on 3 December 2008:

- (1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister's portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
- (2) How much depreciation funding for each department or agency in the Minister's portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator's question:

**Australian Accounting Standards Board**

The AASB do not fall under the Financial Management and Accountability Act 1997.

**Australian Bureau of Statistics**

- (1) (a) The ABS committed a total of \$328.880 under regulation 10 during the period December 2007 and June 2008.(b) (i) \$328.880. (ii) Nil.
- (2) (a) The ABS had \$31.838m available as a budget for depreciation at 30 June 2008.(b) The ABS recorded a depreciation expense of \$30.763m in the 2007-08 audited financial statements. (c) The ABS recorded \$33.523m in the 2007-08 audited financial statements for the purchase of property, plant and equipment.

**Australian Competition and Consumer Commission**

- (1) (a) Between 1 December 2007 and 30 June 2008 funds of \$43.683 million were committed under regulation 10. (b) (i) The amount of \$43.683 million was approved at the Agency level. (ii) Nil.
- (2) (a) Depreciation budget for 2007-08 was \$3.429 million. (b) Depreciation expenditure for 2007-08 was \$2.120 million. (c) Capital expenditure for 2007-08 was \$10.336 million.

**Australian Office of Financial Management**

- (1) Regulation 10 commitments:
  - (a) Expenditure approved under regulation 10 of the Financial Management and Accountability Act 1997 for the Australian Office of Financial Management (AOFM) for the period 1 December 2007 to 30 June 2008 was \$2.274 million.
  - (b) (i) All of the approvals were made at the agency level by the regulation 10 delegate. (ii) No approvals were made by the Minister for Finance and Deregulation.
- (2) Depreciation funding:
  - (a) The AOFM's undrawn output appropriation as at 30 June 2008 was \$13.095 million. The AOFM does not separately account for, nor track the depreciation funding component within this figure.
  - (b) The AOFM does not separately account for, nor track expenditure against the depreciation funding component of its output appropriation.
  - (c) Refer to (b) above.

**Australian Prudential Regulatory Authority**

- (1) For the subject period, APRA has committed, in aggregate, to spend under Regulation 10 of the Financial Management and Accountability Act 1997:

\$7.0 million in 2009/10;

\$6.9 million in 2010/11; and

\$6.9 million in 2011/12.

All commitments were approved at the APRA agency level.

- (2) \$3.4 million was made available to APRA in 2007/08, of which \$3.2 million was consumed in a depreciation funding that period. All depreciation was applied to directly replace assets for which it was appropriated.

**Australian Securities and Investment Commission**

- (1) (a) For the period 1 December 2007 to 30 June 2008, ASIC's FMA Regulation 10 approvals totalled \$221.3m, of which \$153.8m was approved but no contract had been entered into. (b) For the period 1 December 2007 to 30 June 2008, \$67.5m of FMA Regulation 10 approvals were given by ASIC officials and \$153.8m was approved by the Minister for Superannuation and Corporate Law.

- (2) (a) ASIC's 2007-08 portfolio additional estimates show ASIC had depreciation funding of \$25.663m for 2007-08. (b) ASIC's depreciation expense for 2007-08 was \$15.6m as published in the 2007-08 financial statements. (c) ASIC spent \$15.6m in 2007-08 to directly replace assets for which it was appropriated.

**Australian Taxation Office**

- (1) (a) \$190 million. (b) (i) \$146m approved at the agency level. (ii) \$144m approved by the Minister for Finance and Deregulation

- (2) The ATO's budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular programs. The total amount of depreciation incurred by the ATO for the year ended 30 June 2008 is reported in the annual report for that year. Asset investment decisions are individually assessed taking into account current and future needs of the ATO.

**Corporations and Market Advisory Commission**

- (1) Nil.

- (2) (a) \$15,000. (b) \$10,326. (c) Nil.

**Inspector-General of Taxation**

- (1) Nil.

- (2) (a) The amount of depreciation provided for at 30 June of each year is publicly available in the agency's Annual Reports. (b) Nil. (c) Nil.

**National Competition Council**

- (1) (a) For the period 1 December 2007 to 30 June 2008 the National Competition Council committed \$468,110 under Regulation 10 of the Financial Management and Accountability Act. (b) (i) The full amount (\$468,110) was approved at the agency level. (ii) Nil.

- (2) (a) The National Competition Council's depreciation budget for 2007-08 was \$9,000. (b) Depreciation expenditure in 2007-08 was \$107,435. (c) Capital expenditure in 2007-08 was \$19,734.

**Productivity Commission**

- (1) (a) Nil. (b) Not applicable.



- (2) The Productivity Commission does not receive funding earmarked specifically for depreciation in its budget appropriation. Depreciation is, however, provided for by the Commission and is shown, for the year ending 30 June 2008, at page 205 of the Commission's 2007-08 Annual Report.

**Royal Australian Mint**

- (1) (a) Nil. (b) Nil.
- (2) The Royal Australian Mint operates under Special Account and does not receive departmental funding for depreciation.

**Treasury**

- (1) (a) \$34,196,453. (b) (i) \$34,196,453. (ii) Nil.
- (2) The Treasury's budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular programs. The total amount of depreciation incurred by the Department of Treasury for the year ended 30 June 2008 is reported in the annual report for that year.

**Finance and Deregulation: Program Funding**

**(Question No. 1094)**

**Senator Abetz** asked the Special Minister of State, upon notice, on 3 December 2008:

- (1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister's portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
- (2) How much depreciation funding for each department or agency in the Minister's portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Faulkner**—The answer to the honourable senator's question is as follows:

- (1) For the period 1 December 2007 to 30 June 2008, the Finance and Deregulation (Finance) Portfolio authorised under Regulation 10 of the Financial Management and Accountability Act 1997 (FMA Act) \$480.8m, inclusive of contingent liabilities. \$459.8m was authorised for Finance, \$12.1m for ComSuper, and \$8.89m authorised for the Australian Electoral Commission. Of the Finance total, \$383.7m (inclusive of contingent liabilities) was authorised under the Fleet Management Agreement which relates to the lease and management of vehicles under the whole-of-government vehicle fleet contract. The Minister for Finance and Deregulation provided authorisation for the Fleet Management Agreement. Due to the Minister's delegation of powers, all other Regulation 10 authorisations were approved at the department or agency level.
- (2) In the 2007-2008 financial year Finance, including its portfolio agencies, expensed a total of \$43.77m of depreciation and amortisation (refer 2007-08 agency Annual Reports).

Agency	(\$000's)
Finance	32,159
AEC	5,341
FFMA	556
ARIA	370
ComSuper	5,339
	43,765

Depreciation funding contributes to total budget appropriations and is allocated to agency priorities on the basis of need. The Government does not try to allocate funding from particular sources to particular programs.

**Finance and Deregulation: Program Funding**  
**(Question No. 1100)**

**Senator Abetz** asked the Minister representing the Minister for Finance and Deregulation, upon notice, on 3 December 2008:

- (1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department and/or agency that operates under the Act in the Minister's portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.
- (2) How much depreciation funding for each department or agency in the Minister's portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Sherry**—The Minister for Finance and Deregulation has provided the following answer to the honourable senator's question:

- (1) For the period 1 December 2007 to 30 June 2008, the Finance and Deregulation (Finance) Portfolio authorised under Regulation 10 of the Financial Management and Accountability Act 1997 (FMA Act) \$480.8m, inclusive of contingent liabilities. \$459.8m was authorised for Finance, \$12.1m for ComSuper, and \$8.89m authorised for the Australian Electoral Commission. Of the Finance total, \$383.7m (inclusive of contingent liabilities) was authorised under the Fleet Management Agreement which relates to the lease and management of vehicles under the whole-of-government vehicle fleet contract. The Minister for Finance and Deregulation provided authorisation for the Fleet Management Agreement. Due to the Minister's delegation of powers, all other Regulation 10 authorisations were approved at the department or agency level.
- (2) In the 2007-2008 financial year Finance, including its portfolio agencies, expensed a total of \$43.77m of depreciation and amortisation (refer 2007-08 agency Annual Reports).

Agency	(\$000's)
Finance	32,159
AEC	5,341
FFMA	556
ARIA	370
ComSuper	5,339
	43,765

Depreciation funding contributes to total budget appropriations and is allocated to agency priorities on the basis of need. The Government does not try to allocate funding from particular sources to particular programs.

**Resources, Energy and Tourism: Program Funding**  
**(Question Nos 1109 and 1110)**

**Senator Abetz** asked the Minister representing the Minister for Resources and Energy and the Minister for Tourism, upon notice, on 3 December 2008:

- (1) (a) For the period 1 December 2007 to 30 June 2008, what funds has the Government committed to spend under regulation 10 of the Financial Management and Accountability Act 1997 (the Act) for each department No. 51—4 December 2008 83 and/or agency that operates under the Act in the

Minister's portfolio; and (b) how much of this commitment was approved: (i) at the department or agency level, and (ii) by the Minister for Finance and Deregulation.

- (2) How much depreciation funding for each department or agency in the Minister's portfolio: (a) was available as at 30 June 2008; (b) was spent in the 2007-08 financial year; and (c) was spent in the 2007-08 financial year to directly replace assets for which it was appropriated.

**Senator Carr**—The Minister for Resources and Energy and the Minister for Tourism have provide the following answer to the honourable senator's question:

- (1) (a) Department of Resources, Energy and Tourism – \$481.3 million approved at the departmental level  
Geoscience Australia – \$12.9 million approved at the agency level  
(b) (i) As above  
(ii) \$0.00
- (2) (a) Department of Resources, Energy and Tourism – \$0.2 million  
Geoscience Australia – \$7.7 million  
Tourism Australia – \$4.6 million  
(b) Department of Resources, Energy and Tourism – \$0.1 million  
Geoscience Australia – \$6.4 million  
Tourism Australia – \$5.8 million  
(c) Department of Resources, Energy and Tourism – \$0.1 million  
Geoscience Australia – \$5.8 million  
Tourism Australia – \$2.0 million

**Reserve Bank of Australia  
(Question No. 1165)**

**Senator Bushby** asked the Minister representing the Treasurer, upon notice, on 4 December 2008:

- (1) In regard to the Reserve Bank Amendment (Enhanced Independence) Bill 2008 (the bill) which was introduced in the House of Representatives on 20 March 2008 and passed in the Senate with amendments on 23 June 2008: (a) Why has the Government not debated these amendments in the House of Representatives; and (b) when will the Senate's amendments to the bill be considered.
- (2) Does the Government plan to continue to debate the bill or is it to be withdrawn.
- (3) (a) What is the process for removing the Governor or Deputy Governor of the Reserve Bank of Australia for misbehaviour under the Reserve Bank Act 1959 (the Act); and (b) what are the differences in comparison to the process outlined in the Senate's amendments to the bill.
- (4) Is it possible that under the Act, a Governor who is 'not of good behaviour', for example one involved in embezzlement, could remain in office as Governor for more than a year even with a conviction for embezzlement recorded against him or her.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator's question:

The intent of the bill is to enhance the independence of the Reserve Bank by having the Governor-General appoint the Governor and Deputy Governor, and by having the termination of these appointments require the consent of the Parliament. The amendments proposed by the Senate would have the effect of reducing the independence of these positions by allowing the Treasurer to retain some of

the power to dismiss, and also removing some authority from the courts and vesting this with the Parliament. Unless the Senate indicates a willingness to support enhanced independence for the Reserve Bank, the Government considers there to be little value in reconsidering the bill.

The process for removing the Governor or Deputy Governor under the Reserve Bank Act 1959 (the Act) was discussed in testimony provided by Treasury to the Senate Economics Committee's inquiry into the bill. Treasury's testimony also included the tabling of advice provided to Treasury by the Australian Government Solicitor (AGS), dated 28 May 2008, on the operation of both the Act and the unamended bill.

As AGS stated in its advice of 28 May 2008, under section 24(1)(c) of the Act, which states the Governor and Deputy Governor hold office subject to good behaviour, a person of sufficient standing would need to institute legal proceedings alleging misbehaviour against the appointee, with the court determining whether misbehaviour has occurred and thus whether the appointment is terminated (paragraphs 13 and 16 of the advice). Under the Senate's amendments (section 25AA of the bill) this power is removed from the courts and the Parliament and Governor-General are given authority to determine whether misbehaviour has occurred and the Governor-General has the discretionary authority to terminate the Governor or Deputy Governor's appointment on this ground.

Section 25AA(8) of the amended bill provides that an appointment cannot be terminated on the ground of misbehaviour except as provided by section 25AA (under which the Parliament and the Governor-General are given roles in relation to terminating an appointment for misbehaviour). It is not clear what operation section 24(1)(c) of the Act would have under the Senate's amendments.

The AGS advice of 28 May 2008 stated that if the Governor or Deputy Governor was terminated under section 24(1)(c) of the Act, the Governor or Deputy Governor would be taken to have vacated office from the time the court had determined the breach of 'good behaviour' had occurred (paragraph 18).

The AGS advice of 28 May 2008 indicates that if the Governor were to be involved in embezzlement, or in other activities 'not of good behaviour', the Governor could not remain in office if a conviction is recorded against them.

### **The Lodge and Kirribilli House (Question No. 1166)**

**Senator Ronaldson** asked the Minister representing the Prime Minister on, upon notice, 4 December 2008:

- (1) (a) As at 4 December 2008, can an itemised list be provided, by bottle and quantity, of the wine kept at Kirribilli House, including wine maker, vintage, blend; and (b) what is the total value of that wine.
- (2) (a) As at 4 December 2008, can an itemised list be provided, by bottle and quantity, of the wine kept at the Lodge, including wine maker, vintage, blend; and (b) what is the total value of that wine.
- (3) As at 4 December 2008, can an itemised list be provided, by brand and quantity, of the alcoholic spirits, including make and full description, kept at: (a) Kirribilli House; and (b) the Lodge.
- (4) Can an itemised list be provided of the wine, including quantities, wine maker, vintage and blend, which has been purchased between 1 December 2007 and 1 December 2008 for use at: (a) Kirribilli House, including: (i) the total cost for those purchases, and (ii) the dates those purchases were made; and (b) the Lodge, including: (i) the total cost for those purchases, and (ii) the dates those purchases were made.
- (5) Can an itemised list be provided of the alcoholic spirits, including brand and quantity, which has been purchased between 1 December 2007 and 1 December 2008 for use at: (a) Kirribilli House, including: (i) the total cost for those purchases, and (ii) the dates those purchases were made; and

- (b) the Lodge, including: (i) the total cost for those purchases, and (ii) the dates those purchases were made.
- (6) What was the total amount expended on truffles, caviar, chocolate and cheese between 1 December 2007 and 2 December 2008 at: (a) Kirribilli House; and (b) the Lodge.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

I am advised that:

- (1) The tables below show stocks held at each residence at the date of the stocktake nearest to 4 December 2008.
- (a) Kirribilli House wine stock at 30 November 2008:

Name and Type	Stock as at 30.11.08 (bottles)
Taltarni Brut Sparkling 2005	14
Clover Hill Sparkling 2003	3
Dom Perignon 1985	1
Bollinger Special Cuvee Non Vintage	1
Billecart Salmon Brut Reserve N/V	1
Croser Sparkling 1998	19
d'Areberg Noble Riesling McLaren Vale 1994	2
Reynolds Semillon 1994	2
Taltarni Fiddleback 2001	7
Pikes Riesling 2001	3
Henschke Sauvignon Blanc Semillon 2004	9
Sandalford Margaret River Riesling 2002	3
Henschke Lenswood Croft Chardonnay 2002	2
Smithbrook Sauvignon Blanc 2005	5
Pike & Joyce Chardonnay 2003	1
Bridgewater Mill Viognier 2004	4
By Farr Viognier 2004	5
By Farr Viognier 2005	10
Bridgewater Mill Sauvignon Blanc 2006	1
Bannockburn Sauvignon Blanc 2005	3
Petaluma Viognier 2005	2
Wild Rock Sauvignon Blanc 2006	1
Tapanappa Tiers Chardonnay 2005	1
Cape Mentelle Sauvignon Blanc Semillon 2007	3
Pike & Joyce Chardonnay 2004	12
Margan Verdelho 2006	1
Henschke Mt Edelstone Shiraz 2002	5
Farr Rising Saignee/Rose 2006	1
Brokenwood Rayner Sangiovese 2004	1
Henschke Cyril Cabernet Sauvignon 2001	4
Coriole Sangiovese 2004	1
Brokenwood Rayner Shiraz 2003	4
St Hallett Old Block Shiraz 2003	5
Henschke Giles Pinot Noir 2007	7
Knapstein Cabernet Sauvignon 2004	5
Taltarni Cabernet Sauvignon 2002	3
Mitchelton Heath Shiraz 2004	5

Name and Type	Stock as at 30.11.08 (bottles)
Bowen Shiraz 2005	7
Harry's Monster 2004	1
Sandalford Cabernet Sauvignon 2004	7
Moss Wood Merlot 2004	1
Giant Steps Pinot Noir 2006	1
Stonier Pinot Noir 2006	2
Taltarni Pyrenees Shiraz 2004	9
Tamar Reserve Pinot Noir 2005	12
Knappstein Shiraz 2004	1

(b) The total value of the wine in stock at Kirribilli House at 30 November 2008 is approximately \$6,000.

(2) (a) The Lodge wine stock at 19 December 2008

Name and Type	Stock as at 19.12.08 (bottles)
Buller Calliope Shiraz 2004	13
Canberra Federation Red 1998	4
Centenary Federation Red Magnum 1999	12
Charles Melton Rose of Virginia 2008	15
Edwards & Chaffey Section 353 Shiraz 1999	11
Evans & Tate Cabernet Merlot 2005	15
Henry Lawson Shiraz 1998	1
Houghton Frankland River Shiraz 2001	1
Kangarilla Road Zinfandel 2006	72
Lillydale Estate Shiraz 2003	5
Mr Riggs Shiraz 2007	64
O'Leary Walker Shiraz 2003	3
Richmond Grove Shiraz 2000	3
Stonehaven Cabernet Sauvignon 1998	18
Yalumba Menzies Cabernet Sauvignon 2000	3
Alta Pinot Grigio 2008	84
Lillydale Estate Chardonnay 2005	3
Grosset Watervale Riesling 2006	6
Petaluma Riesling 2007	3
Cullen Sauvignon Blanc 2002	1
Clonakilla Semillon Sauvignon 2006	1
Henschke Joseph Hill Gewurztraminer 2003	2
Hayshed Hill Chardonnay 2007	54
Houghton Pemberton Sauvignon Blanc 2006	42
Robinsons Marlborough Sauvignon Blanc 2008	6
Yellowglen Perle Sparkling	9
Blue Pyrenees NV Brut Sparkling	59
Preece Sparkling	2
Henry of Pelham Icewine	1
Jeir Creek Botrytis Semillon 2005	3
Mt Horrocks Riesling 2005	2
Buller Botrytis 2006	1
Pinnacle Ice Cider	1
Miranda Botrytis 2005	1
Moscato di Asti 2005	1

(b) The total value of the wine in stock at The Lodge at 19 December 2008 is approximately \$14,000.

(3) (a) Kirribilli House alcoholic spirits stock at 30 November 2008:

Name and Type	Stock as at 30.11.08 (bottles)
Something Special Whisky	1
Dimple Whiskey	5
Johnnie Walker Red Label Scotch	4
Gordon's Gin	4
Bacardi	4
McWilliams Hanwood Fine Old Tawny	8
Penfolds Club Port	2
McWilliams Oloroso Sherry	1
McWilliams Amontillado Sherry	2
Bundaberg Rum UP	1
Bundaberg Rum OP	1
Pimms	2
Para Liqueur	3
Stones Ginger Wine	2
Remy Martin VSOP Cognac	1
Cinzano Bianco	2
Cinzano Dry Vermouth	1
Jim Beam Whisky	1
Wild Turkey	2
Campari Bitter	4
Crème de Cacao	2
Curacao	1
Kirsch	1
Kahlua	4
Crème de Menthe	1
Boronia Marsala	2
Benedictine	1
Cointreau	1
Drambuie	3
Grand Marnier	2
Tia Maria	3
Chateau Tanunda Brandy	2

(b) The Lodge alcoholic spirits stock at 19 December 2008:

Name and Type	Stock as at 19.12.08 (bottles)
Black Bottle Brandy	3
Morris Liqueur Tawny	1
Benedictine	1
Davide Campari	1
Galway Pipe Old Tawny	1
Lagavulin Single Islay Malt Whisky	1
Pimms	8
Hennessy V.S.O.P Cognac	1
Cointreau	1
Glenmorangie Scotch Whisky	1
Makers Mark Bourbon Whisky	1

Name and Type	Stock as at 19.12.08 (bottles)
Jim Beam Bourbon Whisky	1
Glenfiddich Single Malt Scotch Whisky	1
Smirnoff Vodka	1
Remy Martin Fine Champagne Cognac	1
Vickers London Dry Gin	1
Noilly Prat French Dry Vermouth	1
McWilliams Medium Dry Sherry	1
Gordon's London Dry Gin	6
Tia Maria	3
McWilliams Semi Sweet Sherry	3
Kirsch Continental	5
Kirsch Marie Brizard	4
Karloff Vodka	2
St Agnes Brandy	1
Morris of Rutherglen Amontillado Sherry	1
Martini & Rossi Sweet Vermouth	1
Marie Brizard Liqueur	1
Dubonnet	1
Boronia Marsala all'Uovo	1

## (4) (a) Kirribilli House wine purchases from 1 December 2007 to 1 December 2008:

Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Henschke Semillon Sauvignon Blanc 2007	20.12.07	36	578.88
Farr Rising Saignee/Rose	20.12.07	6	107.10
Brokenwood Rayner Sangiovese 2004	20.12.07	24	468.24
Margan Verdelho	02.01.08	4	73.56
Moss Wood Merlot 2004	13.02.08	2	89.98
Cape Mentelle Sauvignon Blanc Semillon 2007	09.07.08	12	299.88
Pike & Joyce Chardonnay 2004	10.07.08	12	271.08
Giant Steps Pinot Noir 2006	10.07.08	6	144.00
Stonier Pinot Noir 2006	10.07.08	12	255.48
Taltarni Pyrenees Shiraz 2004	12.08.08	12	312.84
Croser Sparkling 1998	14.10.08	24	911.04
Tamar Reserve Pinot Noir 2005	14.10.08	24	939.36
By Farr Viognier 2005	14.10.08	24	1,002.00

## (b) The Lodge wine purchases from 1 December 2007 to 1 December 2008:

Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Yellowglen Perle Sparkling	02.12.07	36	646.20
Sandalford Element Classic White 2007	02.12.07	84	1,003.80
Evans & Tate Sauvignon Blanc Semillon 2005	02.12.07	72	1,148.40
Evans & Tate Cabernet Merlot 2005	13.12.07	24	382.80
Yellowglen Perle Sparkling	13.12.07	60	1,077.00
Sandalford Protege Cabernet Merlot 2005	18.12.07	6	89.70
Brands Cabernet Sauvignon Laira 2004	18.12.07	6	101.70
Peter Lehmann Cabernet Sauvignon 2002	18.12.07	6	89.70
O'Leary Walker Shiraz 2003	18.12.07	6	95.70
Orlando St Hilary Chardonnay 2006	18.12.07	6	95.70



Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Sandalford Semillon Sauvignon 2007	24.12.07	4	67.80
Miranda Gold Botrytis	24.12.07	2	31.90
Yellowglen Perle Sparkling	15.01.08	60	1,077.00
Sandalford Element Classic White 2007	15.01.08	24	286.80
D'Areberg Broken Fishplate Sauvignon Blanc	02.02.08	36	594.00
Hill Smith Estate Sauvignon Blanc	02.02.08	48	861.60
Stonehaven Reserve Cabernet	02.02.08	36	970.20
Temple Bruer Reserve Blend	12.02.08	2	45.00
Cape Mentelle Semillon Sauvignon	12.02.08	4	79.80
Temple Bruer Reserve Blend	12.02.08	2	45.00
Mount Horrocks Cordon Cut 3	12.02.08	2	53.90
De Bortoli Noble One 375ml	12.02.08	3	70.50
Cascinetta Moscato	16.02.08	2	43.90
Henschke Joseph Hill Gewurztraminer 2003	16.02.08	2	59.90
Pewsey Vale Gewurztraminer	16.02.08	2	49.90
Innocent Byst Moscato	16.02.08	2	23.90
Grosset Water Vale Riesling	21.02.08	24	742.80
Bullers Botrytis 2006	21.02.08	12	240.00
Brookland Valley Sauvignon	22.08.08	1	29.95
Charles Melton Rose	22.08.08	1	21.95
Yellowglen Yellow Sparkling	28.08.08	2	27.98
Clover Hill Sparkling	02.09.08	1	39.95
Innocent Byst Moscato	02.09.08	1	11.95
Croser Sparkling	10.09.08	12	395.40
Croser Sparkling	30.09.08	6	203.70
Yellowglen Perle Sparkling	28.10.08	90	1,734.30
Houghton Pemberley Sauvignon	28.10.08	96	1,938.24
Edwards & Chaffey Section 353 Shiraz 1999	28.10.08	60	1,857.00
Buller Calliope Shiraz 2004	10.11.08	24	864.00
Charles Melton Rose of Virginia 2008	10.11.08	24	480.00
Jeir Creek Botrytis Semillon	10.11.08	11	219.45
(5) (a) Kirribilli House alcoholic spirits purchases from 1 December 2007 to 1 December 2008:			
Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Glenfiddich Whisky	10.01.08	1	89.99
Johnnie Walker Black Label Scotch	03.04.08	1	53.99
Remy Martin VSOP Cognac	03.04.08	1	79.39
(b) The Lodge alcoholic spirits purchases from 1 December 2007 to 1 December 2008:			
Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Morris Liqueur Tawny Port	18.12.07	1	16.95
Galway Pipe Port	18.12.07	1	25.95
Remy Martin VS Cognac	18.12.07	1	69.95
Johnnie Walker Black Label Scotch	18.12.07	1	36.95
Bailey's Irish Cream	18.12.07	1	26.95
Tanqueray Gin	10.02.08	2	92.98
Glenlivet 12yo Scotch Whisky	10.02.08	2	99.98

Name and Type	Date Purchased	Quantity (bottles)	Total Cost (\$)
Wild Turkey	23.02.08	1	43.99
Glenfiddich Whisky	28.08.08	2	99.98
Bailey's Irish Cream	02.09.08	1	27.95
Jim Beam	16.10.08	1	49.95

- (6) (a) and (b) The detailed information referred to in the honourable senator's question is not readily available and much of the information requested is not able to be identified separately. To collect and assemble such information solely for the purpose of answering the honourable senator's question would be a major task and I am not prepared to authorise the expenditure of resources and effort that would be involved.

**Tobacco Industry**  
**(Question No. 1171)**

**Senator Siewert** asked the Minister representing the Minister for Health and Ageing, upon notice, on 16 December 2008:

With reference to interactions between the representatives of tobacco companies and the Rudd Government: Have any ministers or ministerial staff met with representatives of tobacco companies; if so: (a) which ministers or the staff of which ministers have taken part in such meetings; (b) what was the purpose of the meetings; and (c) on what dates did these meetings take place.

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator's question:

Since the commencement of the Rudd Government in December 2007, my Parliamentary Secretary has participated in a total of two meetings with the tobacco industry. A member of her staff has participated in five meetings. These meetings are listed as follows:

**Meeting with Phillip Morris Ltd (PML)**

- (a) Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing, and Meagan Lawson, Adviser, to the Parliamentary Secretary.
- (b) Discussion about the content of the PML 2008-2009 pre-budget submission.
- (c) 13 March 2008.

**Meeting with British American Tobacco Australasia (BATA)**

- (a) Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing, and Meagan Lawson, Adviser, to the Parliamentary Secretary.
- (b) Discussion about the Australian Government's current tobacco control initiatives.
- (c) 14 March 2008.

**Meeting with PML**

- (a) Meagan Lawson, Adviser to Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing.
- (b) Fruit flavoured cigarettes.
- (c) 16 April 2008.

**Meeting with BATA**

- (a) Meagan Lawson, Adviser to Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing.

- (b) Work program of the Preventative Health Taskforce, including processes and timelines for development of the Preventative Health Strategy.
- (c) 17 June 2008.

**Meeting with BATA**

- (a) Meagan Lawson, Adviser to Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing.
- (b) Work program of the Preventative Health Taskforce, including processes and timelines for development of the Preventative Health Strategy.
- (c) 25 September 2008.

**Meeting with PML**

- (a) Meagan Lawson, Adviser to Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing.
- (b) Work program of the Preventative Health Taskforce, including processes and timelines for development of the Preventative Health Strategy.
- (c) 4 February 2009.

**Meeting with BATA**

- (a) Meagan Lawson, Adviser to Senator McLucas, Parliamentary Secretary to the Minister for Health and Ageing.
- (b) Work program of the Preventative Health Taskforce, including processes and timelines for development of the Preventative Health Strategy.
- (c) 4 February 2009.

**Aged Care: Facilities**

**(Question No. 1184)**

**Senator Cormann** asked the Minister representing the Minister for Health and Ageing, upon notice, on 17 December 2008:

How many aged care facilities have been identified as having some non-compliance in respect of the 44 accreditation standards for each of the following financial years:

- (a) 1998-99; (b) 1999-2000; (c) 2000-01; (d) 2001-02; (e) 2002-03; (f) 2003-04; (g) 2004-05; (h) 2005-06; and (i) 2006-07

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator's question:

Financial year	Non-compliance
1998-1999	Not applicable. The Accreditation Standards did not apply in that year.
1999-2000	314 This figure is for non-compliance identified at site audits and review audits only. The Agency's historical data does not include findings of compliance/non-compliance at support contacts.
2000-2001	818 This figure is for non-compliance identified at site audits and review audits only. The Agency's historical data does not include findings of compliance/non-compliance at support contacts.

Financial year	Non-compliance
2001-2002	128 This figure is for non-compliance identified at site audits and review audits for the 12-month period. The Agency's historical data does not include findings of compliance/non-compliance at support contacts.
2002-2003	202 This figure is for non-compliance identified at site audits and review audits for the 12-month period. The Agency's historical data does not include findings of compliance/non-compliance at support contacts.
2003-2004	324 This figure is for non-compliance identified at site audits, review audits and support contacts for the 12-month period.
2004-2005	202 This figure is for non-compliance identified at site audits, review audits and support contacts for the 12-month period.
2005-2006	304 This figure is for non-compliance identified at site audits, review audits and support contacts for the 12-month period.
2006-2007	360 This figure is for non-compliance identified at site audits, review audits and support contacts for the 12-month period.

#### Aged Care

#### (Question No. 1191)

**Senator Cormann** asked the Minister representing the Minister for Ageing, upon notice, on 17 December 2008:

Does the Government outlay the full amount that it budgets each year on aged care.

- (a) Did the Government budget to spend \$6.7 billion on aged care in the 2007-08 financial year; and  
 (b) did the Government actually spend that amount or was it less as the income tested fee deductions were greater than budgeted for.

**Senator Ludwig**—The Minister for Ageing has provided the following answer to the honourable senator's question:

The aged care budget provisions comprise both annual appropriations and special appropriations. The budget provisions for the special appropriations in respect of residential care, community care and flexible care subsidies, are only estimates. The final outcome will reflect the actual claims for payment and may exceed or fall short of, the budget estimates.

The actual outlays can be reconciled to the budget estimates by reference to the Department of Health and Ageing Annual Reports and/or the Portfolio Budget Statements.

- (a) No.

The actual outlays on residential care subsidies and supplements for 2007-08 financial year amounted to \$6.0 billion.

There was a difference between estimated and actual expenditure of \$0.1 billion (1.6 per cent of total residential care expenditure) because the value of claims against the demand driven residential aged care program were less than estimated.

**Alcopops****(Question Nos 1213 and 1214)**

**Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 9 January 2009:

- (1) How much tax revenue has been collected since the implementation of the increase in the excise on alcopops on 27 April 2008.
- (2) Given that table 2 (Australian Government general government sector revenue) of the Final budget outcome 2007-08 includes a line-item under the heading 'Customs duty' headed 'Excise-like goods' which included potable spirits, and given that the majority of potable spirits sold in Australia are imported and therefore pay customs duty rather than excise duty, what proportion of the \$2.4 billion in customs duty collected on excise-like goods is attributable to imported potable spirits.
- (3) Given that table 2 of the Final budget outcome 2007-08 lists for the 'Excise-like goods' a change on the 2008-09 Budget of +\$41 million, what proportion of this figure is attributable to the under-estimation of sales of potable spirits by the Department of the Treasury when completing the 2008-09 Budget estimates.
- (4) In regard to the +\$5 million change on the 2008-09 Budget estimate for excise duty on potable spirits, what proportion of the positive change on the 2008-09 Budget (for both excise and customs duty on potable spirits) is attributable to the 2 months of May and June 2008.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator's question:

- (1) From May to October 2008, \$394 million has been collected from excise duties (including customs equivalent) on other excisable beverages not exceeding 10 per cent by volume of alcohol, which includes ready-to-drink beverages. Note that this data is only available for whole months.
- (2) In 2007-08, \$1.3 billion of the total for customs duty on 'excise-like goods' is attributable to potable spirits.
- (3) In 2007-08, of the total change for customs duty on 'excise-like goods' between the 2008-09 Budget and the Final Budget Outcome \$35 million is attributable to potable spirits.
- (4) In the 2008-09 Budget, revenue estimates incorporated revenue collection outcomes to end-March. Therefore the difference between the 2008-09 Budget estimates and the Final Budget Outcome 2007-08 reflects deviations from the forecast over the last three months of 2008-09.

**Aged Care****(Question No. 1215)**

**Senator Cormann** asked the Minister representing the Minister for Ageing, upon notice, on 15 January 2009:

- (1) Can a breakdown be provided for the 2008-09 Aged Care Approvals Round (ACAR) by state and territory, of the number of (a) high care places available; (b) high care places sought; (c) low care places available; and (d) low care places sought.
- (2) Are applicants in the 2008-09 ACAR assessed on the basis of having experience in the provision of aged care services and/or the financial capacity to provide the beds they apply for.
- (3) How many of the applicants in the 2008-09 ACAR had no previous experience in providing aged care services.
- (4) Of the bed licenses granted in each of the years 2003 to 2008, how many have not been: (a) built; and (b) surrendered.

**Senator Ludwig**—The Minister for Ageing has provided the following answer to the honourable senator's question:

- (1) The number of residential places made available in the annual Aged Care Approvals Round is not split into high or low care. Altogether 7,663 new residential aged care places have been made available in the 2008-09 Aged Care Approvals Round. A state and territory break-down of what applicants are seeking is at Table A.
- (2) A common framework is used to assess all applications. This assessment framework follows the provisions of the Aged Care Act 1997 and the Aged Care Principles. These legislative provisions are also referred to as assessment criteria.  
Prospective applicants are advised that they need to demonstrate in their applications they can establish and operate a sustainable service providing quality care and meet their financial obligations, including in relation to accommodation bonds.
- (3) In the 2008-09 Aged Care Approvals Round, 21 applications have been received from applicants seeking approved provider status for the first time. Whether an applicant is suitable to provide aged care under the Aged Care Act 1997, that is, to be an approved provider, depends on a number of legislated criteria. Experience of the applicant and/or its key personnel in the provision of aged care is one of those criteria.
- (4) As at 30 June 2008, of the 31,328 residential aged care places that were allocated since 2003, a total of 19,031 places had not become operational and were in various stages of development. Details of surrendered places provisionally allocated in 2003 to 2008, by Aged Care Approvals Round, are provided in Table B.

The allocations stemming from the conduct of the 2008-09 Aged Care Approvals Round are not expected to be announced until late June 2009.

Table A

Details of the number of residential high and low care places sought in the 2008-09 Aged Care Approvals Round

State/Territory	No of places available	No of high care places sought	No of low care places sought	Total number of places sought
New South Wales	2,106	2,592	1,172	3,764
Victoria	1,486	3,621	1,938	5,559
Queensland	2,416	2,340	1,299	3,639
Western Australia	1,208	430	106	536
South Australia	123	331	203	534
Tasmania	131	29	62	91
ACT	169	112	23	135
Northern Territory	24	0	0	0
Totals	7,663	9,455	4,803	14,258

Table B

Details of the number of provisionally allocated residential aged care places from 1/1/2003 by Aged Care Approvals Round (ACAR) surrendered up to 30/6/2008

ACAR	No of provisionally allocated places surrendered	Places allocated in ACAR	% surrendered
2003	193	5,889	3.3%
2004	231	8,905	2.6%
2005	113	5,274	2.1%
2006	80	4,735	1.7%

ACAR	No of provisionally allocated places surrendered	Places allocated in ACAR	% surrendered
2007	0	6,525	0%
Totals	617	31,328	2.0%

### Australian Broadcasting Corporation

#### (Question No. 1216)

**Senator Fifield** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 15 January 2009:

Has the Australian Broadcasting Corporation undertaken a review of the content of the 'Planet Slayer' website; if so: (a) what was the outcome of that review; (b) when will the Minister release the review; and (c) will the review be posted online for the general public to access; if not, why not.

**Senator Conroy**—The answer to the honourable senator's question is as follows:

The ABC reviewed the content of the 'Planet Slayer' website in June 2008 and changes were implemented between June and August 2008.

- The outcome of the review was that some of the wording on the website was changed and a logic error in the calculator was corrected.
- In line with the ABC's statutory independence, the release of the review is a matter for the ABC.
- The ABC has advised that the review will not be posted online as it was an internal review.

### Ministerial Staffing

#### (Question No. 1225)

**Senator Abetz** asked the Minister representing the Minister for Small Business, Independent Contractors and the Service Economy, upon notice, on 16 January 2009:

With reference to question SI-12 taken on notice during the 2008-09 supplementary Budget estimates hearings of the Economics Committee:

- How many staff are based in the Minister's electorate office.
- What is the Members of Parliament (Staff) Act 1984 classification of each staff member based in the electorate office.
- Can a copy of the duty statement of each staff member in the electorate office be provided.
- In regard to personal staff based in the electorate office, what is the supporting department for each.

**Senator Carr**—The Minister for Small Business, Independent Contractors and the Service Economy has provided the following answer to the honourable senator's question:

- The Minister has four electorate office positions, employing five staff (two staff work part-time), all of whom are based in his electorate office.
- The Minister's electorate office staff allocation is an entitlement allocated to him in his role as a Member of Parliament.
- The electorate office staff assist the Minister to carry out his Parliamentary and electorate responsibilities.
- The Minister has no personal (Ministerial) staff based in his electorate office.

**Proclamation of Acts**  
**(Question Nos 1235 to 1270)**

**Senator Cash** asked all ministers, upon notice, on 4 February 2009:

Are there any Acts of Parliament within your ministerial responsibility that have only been partially proclaimed; if so, what are the unproclaimed sections and what are the reasons for not proclaiming these sections.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question on behalf of all ministers:

In accordance with Senate standing order 139(2), a document showing details of all provisions of Acts which come into effect on proclamation and which have not been proclaimed, together with a statement of reasons for their non-proclamation and a timetable for their operation is tabled on or before 31 August each year. The most recent document was tabled on 26 August 2008 and is available from the Senate Table Office. The Government will continue to comply with standing order 139(2) and a document similar to those that have been tabled in the past will be tabled before the required date this year.

In these circumstances, the Government does not consider that the resources required to prepare an earlier response to the honourable senator's question can be justified.

**Residential Mortgage-Backed Securities**  
**(Question No. 1273)**

**Senator Bob Brown** asked the Minister for Superannuation and Corporate Law, upon notice, on 4 February 2009:

Further to the answer to question on notice 755 (Senate *Hansard*, 3 February 2009, p. 104): (a) will the Government be checking: (i) who did the valuations on the eligible loans, and (ii) when the valuation on the eligible loans was made; and (b) if not, how will the Government ensure that valuations on the eligible loans reflect the current, and potentially future, lower-priced property market.

**Senator Sherry**—The answer to the honourable senator's question is as follows:

The AOFM undertakes credit analysis for each of the RMBS transactions in which it invests. The credit analysis covers a range of risks present in RMBS transactions, including those risks associated with falling valuations of properties secured against mortgage loans. The valuation exercise is undertaken by the mortgage originator.

In assessing the valuation risks of a specific transaction, the AOFM's credit analysis includes:

- analysis of the overall characteristics of the mortgage portfolio including loan-to-value ratios and geographic distribution;
- review of any lenders' mortgage insurance policies covering a mortgage;
- the historical loss and claim experience of the mortgage originator on its mortgage insurance policies;
- sample testing by an independent auditor tying back portfolio summary data to the underlying loan file;
- reviews of the rating agency analysis and methodology; and
- other structural features and risk characteristics of the particular transaction.

The AOFM currently requires all RMBS transactions in which it participates to be backed by mortgages that are insurable. To date, all mortgages backing securities in which the AOFM has invested have been covered by current lenders' mortgage insurance policies. In addition, all RMBS securities purchased by



the AOFM must also be rated AAA by two of the major rating agencies. The agencies stress test the value of the collateral supporting the RMBS for potential reductions in house prices, using conservative assumptions.

**Proposed Pulp Mill  
(Question No. 1274)**

**Senator Milne** asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 5 February 2009:

With reference to the answer to question on notice no. 557 (*Senate Hansard*, 1 September 2008, p. 4 258), the Government indicated the Gunns Limited pulp mill assessment process ‘looked closely at impacts on the Commonwealth Marine Area, which incorporates all elements of the environment, including dolphins’:

- (1) Exactly when, how and by whom was the ‘impact’ assessment (or such similar process) undertaken in relation to the impacts of the pulp mill on the bottlenose dolphin (*Tursiops truncatus*) and any other dolphin species.
- (2) What environmental aspects and impacts (actual and potential) were identified as part of the pulp mill assessment (or such similar process) in relation to the bottlenose dolphin and any other dolphin species.
- (3) Have any reports, studies, findings, recommendations (or such similar documentation) been produced in relation to the impact assessment (or such similar process) of the pulp mill on the bottlenose dolphin and any other dolphin species; if so: (a) can a copy of all such documentation be provided; and (b) if a copy of all such documentation cannot be provided, why not.

**Senator Wong**—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator’s question:

- (1) GHD Pty Ltd, on behalf of Gunns, undertook a desktop assessment of potential environment impacts and management measures in relation to the effluent pipeline, which included the Bottlenose, Common, Dusky and Risso’s Dolphin species within the vicinity of the ocean outfall, in the Draft Integrated Impact Statement (DIIS). This process commenced in January 2005 and Mr David Balloch of EnviroGulf Consulting peer reviewed the aquatic environmental sections of the DIIS in a statement dated January 2007.
- (2) As part of the original pulp mill approval process, in respect to Commonwealth waters specifically, no impacts were identified on dolphin species in the DIIS, as the DIIS concluded that the effluent would be sufficiently diluted before reaching Commonwealth waters.

The Chief Scientist’s Panel noted (at page 49) that:

“Potential impacts on marine species arise from the discharge of treated effluent into the marine environment, the construction of the wharf, effluent pipeline and outfall and potential increase in boat traffic in the area. Impacts on these species would be as a result of short term exposure when migrating through the area indirectly through the food chain for some of these species.”

Other potential impacts were identified in State waters, and these are described in the documents listed in the response to question (3) below.

In relation to the assessment of the Environment Impact Management Plan (EIMP), on 5 January 2009 I refused to approve those parts of the plan (Modules L, M and N) relating to the operation of the mill so that hydrodynamic modelling could be carried out in relation to impacts of the effluent on the Commonwealth marine environment.

The hydrodynamic modelling required by the pulp mill approval conditions will need to be completed and any necessary response strategies for the protection of the Commonwealth marine environment incorporated in the EIMP before I can consider approving the complete plan.

Gunns are now required to carry out this critical environmental work and have the results of the modelling and any response strategies fully examined by the Independent Expert Group and by my department so that I can consider whether the EIMP should be approved by a new deadline of 3 March 2011.

- (3) The DIIS and the Balloch peer review have been publicly available since May 2007 and can be found at [www.gunnspulpmill.com.au/iis](http://www.gunnspulpmill.com.au/iis) - specifically, 'Marine and Estuarine Issues' (Supplementary Information) and Volume 3b, Chapter 11, as well as other related information throughout the DIIS.

The Chief Scientist's report can be found at:

<http://www.environment.gov.au/epbc/notices/assessments/2007/3385/information.html>

### **Immigration and Citizenship: Project Funding**

#### **(Question No. 1275)**

**Senator Mason** asked the Minister for Immigration and Citizenship, upon notice, on 5 February 2009:

With reference to the Government's funding of organisations and projects between 3 December 2007 and 20 January 2009: (a) which organisations and projects within the Moncrieff electorate received funding from the department; (b) how much funding did each organisation or project receive; and (c) for what purpose was each funding commitment made.

**Senator Chris Evans**—The answer to the honourable senator's question is as follows:

Details of grants given by the Department are available on the Department's website within 7 days of approval of the grants.

- (a) The only direct funding to organisations within the Moncrieff electorate is to the Multicultural Families Organisation Inc (MFOI). The MFOI received a two year grant from the Settlement Grants Program on 29 May 2007 for a project called "Orientation to Australia, Developing Communities and Integration services to Humanitarian and eligible Family stream entrants on the Gold Coast".

They received an additional grant on 24 May 2008 for a project called "Integration - Inclusion and Participation services to Humanitarian and Family stream entrants in Gold Coast SSD".

- (b) The 2007 grant was for \$170,000 per year for each of 2007-08 and 2008-09 paid in four equal payments of \$42,500 each year. Of the total of eight progress payments, the first two were paid before 3 December 2007, and the last will be paid in April 2009.

The 2008 grant was for \$35,000 was only for 2008-09 and also paid in four equal payments of \$8,750 in 2008-09 only.

- (c) The 2007 project focussed on services to Humanitarian entrants as well as family stream migrant women. The project included orientation to education, employment, life skills, volunteering, youth and community leadership development.

The 2008 project aimed at assisting eligible entrants in the Gold Coast to integrate into the broader community through a driver education program, homework group, and volunteer work service.

**Health and Ageing: Moncrieff Electorate**  
**(Question No. 1276)**

**Senator Mason** asked the Minister representing the Minister for Health and Ageing, upon notice, on 5 February 2009:

With reference to the Government's funding of organisations and projects between 3 December 2007 and 20 January 2009: (a) which organisations and projects within the Moncrieff electorate received funding from the department; (b) how much funding did each organisation or project receive; and (c) for what purpose was each funding commitment made.

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator's question:

The Department of Health and Ageing administers many programs and grants that provide assistance to the federal electorate of Moncrieff.

However, the majority of these programs and grants are administered and reported only at a state or national level. Information on Medicare Benefits Schedule (MBS) bulk billing by electorate for the 2004, 2005 and 2006 calendar years and MBS safety net data by electorate for the 2005 and 2006 calendar years, can be found at [www.health.gov.au/electoratereports](http://www.health.gov.au/electoratereports)

General information about programs is available in the Department's Annual Report, the Portfolio Budget Statements or on the website [www.health.gov.au](http://www.health.gov.au)

Attachment A is a list of publicly available information regarding departmental funding in the federal electorate of Moncrieff. Attachment A holds current information that has been compiled on an ad hoc basis.

The Department of Health and Ageing has made every effort to ensure the quality of the information provided. Producing electorate statistics for health and ageing programs is complex, resource intensive and often unreliable due to discordance between areas of program delivery and electorate boundaries, insufficient data provided from funding recipients and changing postcode and electoral boundaries. Caution should be used in interpreting information in Attachment A and users should carefully evaluate its accuracy, currency, completeness and relevance for their purposes.

Attachment A

Departmental funding to the federal electorate of Moncrieff—organisations and projects

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Non-Government Organisation Treatment Grants Program - Round 3	Goldbridge Rehabilitation Services Inc	\$1,320,220.00	Provision of a safe drug-free residential program which provides a range of therapeutic interventions and learning opportunities for individuals and family groups who seek to overcome the problems associated with the problematic use of illicit drugs.

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Non-Government Organisation Treatment Grants Program - Round 3	Goldbridge Rehabilitation Services Inc	\$394,344.38	Continued development of a Community Access Program to provide comprehensive counseling, support and information, to reduce the harm associated with problematic drug use.
Non-Government Organisation Treatment Grants Program - Round 3	The Salvation Army (QLD) Property Trust	\$403,692.00	Provision of a range of services including counseling, relapse prevention and drug education to people who have undergone treatment in the Bridge Program at Gold Coast Recovery Services Centre - Fairhaven.
Non-Government Organisation Treatment Grants Program - Round 3	The Salvation Army (QLD) Property Trust	\$525,389.00	Provision of a range of services to women who apply to or are referred to Fairhaven for the purpose of treatment for addiction to alcohol, other drugs and or gambling.
Non-Government Organisation Treatment Grants Program - Round 2	Goldbridge Rehabilitation Services	\$138,564.00	Community support program to reduce harm associated with problematic drug use.
Non-Government Organisation Treatment Grants Program - Round 2	Goldbridge Rehabilitation Services	\$510,214.00	Residential Rehabilitation service.
Non-Government Organisation Treatment Grants Program - Round 2	The Salvation Army (Qld) Property Trust	\$214,000.00	Support program including education and relapse prevention for all clients who have completed the Bridge Program.
Non-Government Organisation Treatment Grants Program - Round 2	The Salvation Army (Qld) Property Trust	\$166,000.00	Support program including education and relapse prevention for all clients who have completed the Bridge Program.
The Improved Services for People with Drug and Alcohol Problems and Mental Illness (Improved Services) initiative	Gold Coast Drug Council Inc	\$499,867.50 over three years from January 2008	Capacity Building Grant

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
The Improved Services for People with Drug and Alcohol Problems and Mental Illness (Improved Services) initiative	Goldbridge Rehabilitation Services Inc	\$429,387.20 over three years from July 2008	Capacity Building Grant
Active After-school Communities (AASC) program	Ashmore State School After School Care	\$4,480.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active After-school Communities (AASC) program	Emmanuel College	\$4,690.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active After-school Communities (AASC) program	Miami OSHCS Inc	\$5,670.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Active After-school Communities (AASC) program	Nerang PCYC/OSHC S	\$9,380.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active After-school Communities (AASC) program	Nerang State School	\$6,830.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active After-school Communities (AASC) program	St Brigids OSHC	\$8,270.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Active After-school Communities (AASC) program	Surfers Paradise State School OSHCS	\$4,440.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active After-school Communities (AASC) program	Trinity Lutheran College OSHC	\$5,600.00	This program aims to provide more opportunities for children to become physically active in the after school hours environment. The program targets children not traditionally active or involved in sport and through a positive and fun experience, aims to develop a love of sport that inspires them to join a local sporting club.
Active Body - Active Mind project	Gold Coast Gymnastics Club Inc.	\$216,953.91	Received one-off grant under the Healthy Active Australia Community and Schools Grants Program to encourage sustainable physical activity and healthy eating in communities and schools across Australia.
Surf Lifestyle Activities	North Burleigh Surf Lifesaving Club	\$70,354.16	Received one-off grant under the Healthy Active Australia Community and Schools Grants Program to encourage sustainable physical activity and healthy eating in communities and schools across Australia.

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Emmanuel Active	Emmanuel Education1	\$103,510.00	Received one-off grant under the Healthy Active Australia Community and Schools Grants Program to encourage sustainable physical activity and healthy eating in communities and schools across Australia.
Residential Aged Care2	-	\$38,644 financial year 2007-08	Residential aged care
Community Aged Care Packages3	-	\$2,514 financial year 2007-08	Low level community care
Extended Aged Care at Home (Dementia)	-	\$839 financial year 2007-08	High level community care for people with Dementia
Youth Mental Health Initiative: headspace Communities of Youth Services (CYSs).	headspace Gold Coast This CYS site is part of Round 2 funding which was announced by Minister Roxon on 8 January 2008.	headspace: National Youth Mental Health Foundation provides funding of \$1,039,500 (GST inc) until June 2009. DoHA provides additional funding of \$430,650 (GST inc) until June 2009.	headspace has established 30 Communities of Youth Service (CYS) sites across Australia. These sites bring together local youth mental health, drug and alcohol, primary care and education, training and support agencies and will improve access to a range of services for young people and ensure better coordination between these services.  The aim of the funding is to increase early access to additional allied health services by young people within the CYSs: - who may be at risk of developing a mental health disorder; or - who have a mental health disorder and would benefit from the services.



Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Access to Allied Psychological Services (ATAPS) Program 2006 - 2009	General Practice Gold Coast	\$607,627.88	<p>The ATAPS component of the Better Outcomes in Mental Health Care (BOIMHC) Program allows Divisions of General practice to act as fund-holders for ATAPS projects.</p> <p>Divisions of General Practice provide funding for General Practitioners to refer patients, who have been diagnosed with a mental health disorder to an allied health professional to provide focused psychological strategies. General Practice Gold Coast also has received funding to participate in the National Suicide Prevention Strategy/ATAPS Suicide Prevention and Self Harm demonstration project. The demonstration project provides funding to establish and operate demonstration sites to support GPs with patients at risk of suicide or self harm. Divisions of General Practice in these demonstration sites will receive funding to engage allied health professionals who will receive additional specialised training in providing clinical care to people who have attempted suicide or deliberate self harm.</p>

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Better Access to Psychiatrists, Psychologists and General Practitioner's through the Medicare Benefits Scheme Initiative—Education and training component	Australian College of Rural and Remote Medicine	\$461,604.00 total funding \$264,264.00 between 3 December 2007 and 20 January 2009	Development of a Mental Health Disorders Training Package for Rural Practice to provide mental health training for rural GPs in an innovative web-based format
Expanded Specialist Training Program (ESTP)	General Practice Logan Area Network (may sit outside electorate boundary)	\$132,000 (GST inclusive)	Psychiatry specialist trainee
Expanded Specialist Training Program (ESTP)	Palm Beach Currumbin Clinic	\$100,000 (GST exclusive)	Psychiatry specialist trainee
Expanded Specialist Training Program (ESTP)	Gold Coast Hospital Southport & Robina Campuses	\$100,000 (GST exclusive)	Psychiatry specialist trainee
Expanded Specialist Training Program (ESTP)	Gold Coast Mental Health Services	\$100,000 (GST exclusive)	Psychiatry specialist trainee
The Australian Better Health Initiative Primary Care Integration Program	Gold Coast Division of General Practice	(GST inclusive) 2007-08 \$171,425 2008-09 \$185,659 2009-10 \$135,446 Total \$492,530	The integration of primary care between general practice and other local health providers.

Project/Grant/Initiative Name	Organisations	Funding/Expenditure amount (GST inclusive - if possible)	Purpose of funding
Asthma Friendly Schools (AFS) Program	As at 31 December 2008, in the Moncrieff Electorate, there are 19 Asthma Friendly Schools, and 38 schools that have registered an interest in becoming involved in the program.	(GST exclusive) In Queensland funding of \$282,365.75 has been allocated to the program for the period 3 December 2007 to 20 January 2009.	The AFS Program is a national initiative that contributes to the development of safer, healthier and more supportive school environments for students with asthma. Measures undertaken under the program provide information and education to promote the benefits of asthma self-management for students. The AFS program currently involves over 80% of schools. The program's objectives are to: Improve self-management skills in those students with asthma to enable them to participate in daily activities including regular exercise and sport; Increase awareness of asthma among the whole student population, their parents/carers and teachers; and Provide teaching resources that support the health curriculum of primary and secondary schools.
General Practice After Hours Program (formerly the Round the Clock Medicare: Investing in After Hours Services Program)	Ashmore City Medical Centre	\$220,000 (GST inclusive) over two years from May 2008.	To provide a comprehensive after hours primary medical care service to the community of Ashmore and the surrounding region.

#### **Divisions of General Practice Program**

The purpose of the Divisions of General Practice Program is to support general practice to provide services to the community within the context of a broader primary health care system. All Divisions provide core programs to address:

access;

- prevention and early intervention;
- integration and multidisciplinary care;
- an increased focus on population health; and
- better management of chronic disease.

The Divisions infrastructure also provides a valuable mechanism for informing and educating GPs and practice staff about changes to programs, services and new initiatives for continuous quality improvement. It allows general practice a representative voice for local health services planning and other health agencies and provides a mechanism for communicating with general practice quickly should the need arise.

The Divisions Network comprises 111 regionally based Divisions, eight State Based Organisations and a peak body, the Australian General Practice Network. Divisions play a key role in facilitating active participation by GPs and general practice in primary care activities and approaches, supporting them to work cooperatively with other parts of the health care system to improve health outcomes and ensure that health care provided is responsive to the needs of local communities.

The total area of the Federal Electorate of Moncrieff is covered by a single Division, General Practice Gold Coast. 33.2% of the General Practice Gold Coast lives in the Federal Electorate of Moncrieff.

#### **Funding for General Practice Gold Coast:2007-08**

The Deed	<i>GST exc</i>	<i>GST incl.</i>
Aged Care Panels	\$186,075	\$204,683
COAG Incentive fund/ ABHI	\$155,841	\$171,425
Divisions of General Practice Core Funding	\$1,114,435	\$1,225,879
M'carePlus - Better Care Aged Care Residents	\$67,336	\$74,070
General Practice Immunisation Incentives	\$36,478	\$40,126
<i>Other Departmental</i>		
Community Awareness & Infrastructure	\$65,012	\$71,513
More Options Better Outcomes	\$216,195	\$237,814
Youth Mental Health	\$220,500	\$242,550
National Suicide Prevention Program	\$72,000	\$79,200

#### **Funding for: 2008/09**

The Deed	<i>GST exc</i>	<i>GST incl.</i>
COAG Incentive fund/ ABHI	\$168,781	\$185,659
Divisions of General Practice Core Funding	\$1,136,724	\$1,250,397
General Practice Immunisation Incentives	\$38,339	\$42,173
<i>Other Departmental</i>		
More Options Better Outcomes	\$432,389	\$475,628
National Suicide Prevention Program	\$48,000	\$52,800
Youth Mental Health	\$171,000	\$188,100

Notes:

<sup>1</sup>Funding announcement made on 15 August 2008 - Funding Agreement not executed yet.

<sup>2</sup>This amount includes expenditure by the Departments of Health & Ageing and Veterans' Affairs.

<sup>3</sup>These figures are calculated according to the location of the packaged care service. Some of the packages/services may be provided to clients living outside the electorate. Conversely, some providers located in other electorates may provide packages/services to clients living in this electorate. Please note that the EACH program started with a small pilot in 2002 and EACH D did not start until 2006.

GST status has been indicated where sufficient data regarding GST status has been supplied.

**Important information regarding this report**

Estimating services and funding information by electorate – data quality issues

It is important to note that some people would receive assistance from services outside this electorate, and similarly services located in this electorate may provide assistance to people living in other electorates.

Further information on the programs and services administered by the Australian Government Department of Health and Ageing can be found in the Department's Annual Report, the Portfolio Budget Statements or on the website at [www.health.gov.au](http://www.health.gov.au).

Produced by Economic and Statistical Analysis Branch,  
Australian Government Department of Health and Ageing,  
February 2009.

**Climate Change: Moncrieff Electorate**

**(Question No. 1277)**

**Senator Mason** asked the Minister for Climate Change and Water, upon notice, on 5 February 2009:

With reference to the Government's funding of organisations and projects between 3 December 2007 and 20 January 2009: (a) which organisations and projects within the Moncrieff electorate received funding from the department; (b) how much funding did each organisation or project receive; and (c) for what purpose was each funding commitment made.

**Senator Wong**—The answer to the honourable senator's question is as follows:

The Department of Climate Change has provided funding to the following organisations and projects within the Moncrieff electorate:

Organisation	Amount \$ (excl GST)	Purpose
Gold Coast City Council	50,000	Funding under the Local Adaptation Pathways Program is provided to help councils undertake climate change risk assessments and develop action plans to prepare for the likely local impacts of climate change to Council operations.
Griffith University	50,000	To undertake a risk assessment and develop adaptation responses for the Gold Coast region, focussing on health impacts of climate change, specifically heat and flooding

Note that the two projects above have a regional or local government span that extends beyond the Moncrieff electorate.

Further, the following organisation and project within the Moncrieff electorate received funding from programs administered by the Water Divisions of the Department of the Environment, Water, Heritage and the Arts (DEWHA). Details of funding from programs administered by other elements of DEWHA are being provided by the Minister for Environment, Heritage and the Arts in response to Question on Notice No 1278.

Organisation	Amount \$ (excl GST)	Purpose
Gold Coast City Council	1,500,000	Capturing water losses through pressure management of the Gold Coasts water supply reticulation system.

**Country Areas Program  
(Question No. 1291)**

**Senator Milne** asked the Minister representing the Minister for Education, upon notice, on 6 February 2009:

- (1) Can a list be provided of non-government schools in New South Wales that received Country Areas Programme (CAP) funding for the following years: (a) 2005; (b) 2006; (c) 2007; and (d) 2008.
- (2) What are the eligibility criteria for CAP funding for non-government schools.

**Senator Carr**—The Minister for Education has provided the following answer to the honourable senator's question:

- (1) A list of non-government schools in New South Wales that received Country Areas Program (CAP) funding in 2007 and 2008 is at Attachment A. School level data for 2005 and 2006 is not available. This information, however, may be obtainable from the Association of Independent Schools of New South Wales and the Catholic Education Commission NSW.
- (2) Information on CAP eligibility criteria applied at the local non-government school level is unavailable. CAP funding for specific schools is determined by each non-government education authority using criteria applicable to their jurisdiction.

The Australian Government, however, requires all non-government education sectors to use CAP funds for projects which meet the needs of rural and isolated students. CAP funds must be used for projects which support

- Curriculum enhancement
- Information and Communication Technology
- Professional Development
- Promotion of CAP
- School Support

**Attachment A**

**COUNTRY AREAS PROGRAM FUNDING PAID TO NSW NON-GOVERNMENT  
SCHOOLS IN 2007**

<b>School Name</b>	<b>Suburb</b>
All Saints Primary School	TUMBARUMBA
Lumen Christi Catholic College	PAMBULA BEACH
Sacred Heart Primary School	COOLAH
Sacred Heart School	BOGGABRI
Sacred Heart School	TOCUMWAL
St Brigid's Primary School	COONAMBLE
St Columba's School	BERRIGAN
St Francis Xavier Primary School	LAKE CARGELLIGO
St Francis Xavier's Primary School	URANA
St Francis Xavier's School	WENTWORTH
St Ignatius' School	BOURKE
St John's School	BARADINE
St John's School	COBAR
St John's School	TRANGIE

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**COUNTRY AREAS PROGRAM FUNDING PAID TO NSW NON-GOVERNMENT  
SCHOOLS IN 2007**

<b>School Name</b>	<b>Suburb</b>
St Joseph's Primary School	CONDOBOLIN
St Joseph's Primary School	FINLEY
St Joseph's School	BALRANALD
St Joseph's School	BARRABA
St Joseph's School	BOMBALA
St Joseph's School	BOOROWA
St Joseph's School	EDEN
St Joseph's School	GRENFELL
St Joseph's School	HILLSTON
St Joseph's School	JERILDERIE
St Joseph's School	MUNGINDI
St Joseph's School	NYNGAN
St Joseph's School	PEAK HILL
St Joseph's School	TENTERFIELD
St Joseph's School	WALGETT
St Joseph's School	WARIALDA
St Joseph's School	WEE WAA
St Lawrence's Central School	COONABARABRAN
St Mary's School	BATLOW
St Mary's School	HAY
St Mary's School	WARREN
St Mary's War Memorial School	WEST WYALONG
St Michael's School	DUNEDOO
St Patrick's School	BREWARRINA
St Patrick's School	TRUNDLE
St Therese's Community School	WILCANNIA
Trinity Catholic Primary School	MURRUMBURRAH
Bega Valley Christian College	BEGA
Bega Valley Christian College Southern Campus	PAMBULA
Bellhaven Special School	YOUNG
Condoblin Campus	CONDOBOLIN
Deniliquin Christian School	DENILIKUIN
Koinonia Christian Academy	BOURKE
Moree Christian School	MOREE
Mumbulla School for Rudolf Steiner Education	BEGA
Namoi Valley Christian School	WEE WAA
Parkes Christian School	PARKES
Pera Bore Christian School, Bourke	BOURKE
Snowy Mountains Christian School	COOMA
Snowy Mountains Grammar School	JINDABYNE

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**COUNTRY AREAS PROGRAM FUNDING PAID TO NSW NON-GOVERNMENT  
SCHOOLS IN 2007**

<b>School Name</b>	<b>Suburb</b>
Thomas More Christian Montessori School	BEGA

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**COUNTRY AREAS PROGRAM FUNDING PAID TO NSW NON-GOVERNMENT  
SCHOOLS IN 2008**

<b>School Name</b>	<b>Suburb</b>
All Saints Primary School	TUMBARUMBA
Lumen Christi Catholic College	PAMBULA BEACH
Sacred Heart Primary School	COOLAH
Sacred Heart School	BOGGABRI
Sacred Heart School	TOCUMWAL
St Brigid's Primary School	COONAMBLE
St Columba's School	BERRIGAN
St Francis Xavier Primary School	LAKE CARGELLIGO
St Francis Xavier's Primary School	URANA
St Ignatius' School	BOURKE
St John's School	BARADINE
St John's School	COBAR
St John's School	TRANGIE
St Joseph's Primary School	CONDOBOLIN
St Joseph's Primary School	FINLEY
St Joseph's School	BALRANALD
St Joseph's School	BARRABA
St Joseph's School	BOMBALA
St Joseph's School	BOOROWA
St Joseph's School	EDEN
St Joseph's School	GRENFELL
St Joseph's School	HILLSTON
St Joseph's School	JERILDERIE
St Joseph's School	MUNGINDI
St Joseph's School	NYNGAN
St Joseph's School	PEAK HILL
St Joseph's School	TENTERFIELD
St Joseph's School	WALGETT
St Joseph's School	WARIALDA
St Joseph's School	WEE WAA
St Lawrence's Central School	COONABARABRAN
St Mary's School	BATLOW
St Mary's School	HAY
St Mary's School	WARREN
St Mary's War Memorial School	WEST WYALONG
St Michael's School	DUNEDOO

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**COUNTRY AREAS PROGRAM FUNDING PAID TO NSW NON-GOVERNMENT SCHOOLS IN 2007**

<b>School Name</b>	<b>Suburb</b>
St Patrick's School	BREWARRINA
St Patrick's School	TRUNDLE
St Therese's Community School	WILCANNIA
Trinity Catholic Primary School	MURRUMBURRAH
Australian Christian College	RIVERSTONE
Bellhaven Special School	YOUNG
Condobolin Campus	CONDOBOLIN
Deniliquin Christian School	DENILIQUN
Koinonia Christian Academy	BOURKE
Moree Christian School	MOREE
Mumbulla School for Rudolf Steiner Education	BEGA
Namoi Valley Christian School	WEE WAA
Parkes Christian School	PARKES
Pera Bore Christian School, Bourke	BOURKE
Sapphire Coast Anglican College	BEGA
Sapphire Coast Anglican College Southern Campus	PAMBULA
Snowy Mountains Christian School	COOMA NORTH
Snowy Mountains Grammar School	JINDABYNE
Thomas More Christian Montessori School	BEGA

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**Prime Minister**

**(Question No. 1295)**

**Senator Barnett** asked the Minister representing the Prime Minister, upon notice, on 10 February 2009:

- (1) Since the Government took office in November 2007:
  - (a) how many days has a person other than the Prime Minister, Mr Kevin Rudd, acted in the position of Prime Minister; and
  - (b) can a breakdown be provided of: (i) who has acted in this position, (ii) on what dates did that person act in this position, (iii) what is the total number of days this person has acted in this position, and (iv) what was the reason for this person to act in this position.
- (2) In regard to the Prime Minister's travel outside of Australia since the Government took office:
  - (a) what was: (i) the total cost for each visit, (ii) the purpose and dates of each visit, and (iii) the identities of the travelling party; and
  - (b) can a breakdown of the travel costs, including accommodation, be provided for: (i) the travelling party, and (ii) each individual.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

- (1) (a) The Honourable Julia Gillard MP acted for 111 days and Senator the Honourable Christopher Evans acted for two days.
  - (b) (i) to (iv)
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**The Honourable Julia Gillard MP***Reason for acting: Travel overseas by the Prime Minister*

Dates:	Days
11 – 14 December 2007	4
20 – 24 December 2007	5
15 February 2008	1
6 – 8 March 2008	3
27 March – 13 April 2008	18
8 – 12 June 2008	5
8 – 11 July 2008	4
7 – 12 August 2008	6
18 – 21 August 2008	4
22 – 27 September 2008	6
13 – 18 November 2008	6
20 – 26 November 2008	7
10 December 2008	1
16-19 December 2008	4

*Reason for acting: Prime Minister on leave*

Dates:	Days
2 – 13 January 2008	12
25 December 2008 – 18 January 2009	25

**Senator the Honourable Christopher Evans***Reason for acting: Travel overseas by the Prime Minister*

Dates:	Days
13 – 14 June 2008	2

**(2) (a) (i) to(iii), (b) (i) and (ii)**

The costs for the Prime Minister's overseas visits from December 2007 to September 2008 are available in Senate Question on Notice 750.

Between October 2008 and February 2009 the Prime Minister travelled to the United States of America 13-18 November 2008, Peru 20-26 November 2008,

Bali 10 December 2008, United Arab Emirates and Afghanistan 16-19 December 2008, Papua New Guinea 27 January 2009. These visits are not fully acquitted and it is not yet possible to provide all the information requested by the honourable senator.

**Climate Change****(Question No. 1296)**

**Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 10 February 2009:

- (1) Can a list be provided of all consultants contracted by the department in the process of preparing the modelling in the report, Australia's low pollution future: The economics of climate change mitigation.
- (2) How much did the department pay each of these consultants.
- (3) (a) How much did the department pay for access to the model codes and/or database of the Monash multi-regional forecasting model; and (b) was this fee the equivalent to the fee payable by anyone seeking to purchase access to these model codes and/or database on the open market: (i) in Australia, and (ii) overseas; if not, was it higher or lower.

- (4) (a) How much did the department pay for access to the model codes and/or database of the global trade and environment model; and (b) was this fee the equivalent to the fee payable by anyone seeking to purchase access to these model codes and/or database on the open market: (i) in Australia, and (ii) overseas; if not, was it higher or lower.

**Senator Conroy**—The Treasurer has provided the following answer to the honourable senator's question:

- (1) and (2). The list and the cost of all the consultants contracted for the period May 2007 to December 2008 to the department for the preparation of Australia's Low Pollution Future: The economics of climate change mitigation are outlined in the table.

Vendor Name	Amount Paid (ex. GST)
Australian Bureau of Agricultural and Resource Economics (ABARE)	752,458
Australian National University	162,500
Centre of Policy Studies (Monash University)	137,636
McLennan Magasanik Associates	148,814
ACIL Tasman Pty Ltd	50,040
Jayant Sathaye	28,343
Bureau of Infrastructure, Transport and Regional Economics (BITRE)	N/A
Graeme Pearman Consulting	30,000

\*Invoice not yet received.

- (3) (a) and (b) The cost of the MMRF model and database was not separately identified in the contract with Monash University (above). The cost of the MMRF model and code between any other individual or party is a matter of contractual discussion with the Centre of Policy Studies at Monash University.
- (4) (a) and (b) The database underlying GTEM is based on the Purdue University Global Trade and Analysis Project (GTAP). The cost to Treasury was \$5,749 AUD. The cost of this database to any other individual or party is a matter of discussion between them and Purdue University.

### **Nation Building and Jobs Plan (Question No. 1298)**

**Senator Ronaldson** asked the Minister representing the Prime Minister in the Senate on 11 February 2009:

With reference to the '200 organisations [that] have come to the nation's capital today because they want to support local jobs and national jobs at a time of national and international economic emergency' mentioned in the Prime Minister's press conference of 6 February 2009:

- (1) What were the names of these organisations.
- (2) Who represented these organisations.
- (3) What project or projects did each of these organisations submit to the Government as being, to quote the Prime Minister, 'shovel-ready'.
- (4) What did each of these organisations estimate to be the cost of each project that they submitted to the Government.

**Senator Chris Evans**—The Prime Minister has provided the following answer to the honourable senator's question:

- (1) and (2) Please see the attached table for details of the organisations that attended stakeholder forums at Parliament House. Over 200 representatives attended the forums. More than one representative attended on behalf of some organisations and in some cases State and Territory Governments were represented by more than one agency. Attendees were nominated by each organisation.
- (3) and (4) The focus of the forums was the Government's National Building and Jobs Plan. Numerous potential projects were discussed at these forums but were not "submitted" for consideration.

**Energy Efficiency**

ACF

ACOSS

ACTU

CFMEU

Climate Institute

CSR Limited

Dusseldorp Skills Forum

ERAA

Fletcher Insulation

Insulation Council of Australia and New Zealand

Newbian Water Systems

Property Oz

RET

Rheem

The Climate Group

The Master Builders

**Education Revolution**

ACT Department of Education &amp; Training

APPA

Australian Association of Special Education

Australian Constructors Association

Australian Council for Health, Physical Education and Recreation

Australian Council of Jewish Schools

Australian Council of State School Organisations

Australian Education Union

Australian Federation of Modern Language Teachers Association

Australian Parents Council

Australian Primary Principals Association

Australian School Library Association

Australian Science Teachers Association

Australian Secondary Principals Association

Australian Special Education Principals Association

Catholic Secondary Principals Australia

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Christian Schools Australia  
Housing Industry Association  
Independent Schools Council of Australia  
Lutheran Education Australia  
Master Builders Association  
Montessori Association of Australia  
National Catholic Education Commission  
NSW Dept Education & Training  
NT Department of Education and Training  
Principals Australia  
QLD Dept Education, Training and the Arts  
SA Dept Education & Children's Services  
TAS Department of Education  
VIC Dept Education & Early Childhood Development

**Social Housing**

ACL  
ACOSS  
ACT Chief Minister's Office  
ACT Department Disability, Housing, Community Services ACT  
ACT Housing Minister's Office  
ACT Treasury  
ACTU  
Adult Multicultural Education Service  
Affordable Community Housing  
Aged and Community Services  
AHURI  
Anglicare  
Anglicare Victoria  
Association to Resource Co-operative Housing  
Australian Local Government Association  
BlueCHP NSW  
Bric Housing Company  
Brisbane Housing Company  
Carers Aust  
Catholic Social Services  
CEHC  
CHC  
Churches Community Housing  
Community Housing Federation

Community Housing Group NSW  
Compass Housing  
COTA/Seniors Voice  
Council of the Aged  
Department of Finance and Administration  
Department of Health and Human Services  
Department of Housing  
Department of Housing and Works  
Department of Human Services  
Families Australia  
Foundation Housing  
Gold Coast Housing Company  
Homelessness Australia  
Housing Industry Association  
Housing Tasmania  
Housing Victoria  
LMHS  
Master Builders Association  
Mater Hospital Trust  
Melbourne Affordable Housing  
Mental Health Council of Australia  
Metropolitan Association towards Community Housing QLD  
Mission Australia  
MS Australia  
National Housing Supply Council  
National People with Disability and Carer Council  
National Seniors  
NSW Community Housing  
NT Housing  
NTSCORP  
Planning, NSW Dept of Premier and Cabinet  
PowerHousing Australia  
Property Council  
QLD Community Housing Coalition  
QLD Department of Public Works  
QLD Dept Housing  
Queensland Shelter  
Real Estate Institute of Australia  
Residential Development Council

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Salvation Army  
Shelter ACT  
South West Inner Sydney Housing Cooperative  
Southern Junction Community Services  
St George Community Housing  
St Vincent De Paul  
Stockland  
Tenants Union Victoria  
Treasury  
Uniting Care Australia  
Unity Housing Company Adelaide  
Wesley Mission  
Yarra Community Housing

**Business**

Association of Consulting Engineers Australia  
Australian Chamber of Commerce and Industry  
Australian Council of Trade Unions  
Australian Federation of Travel Agents  
Australian Industry Group  
Australian Institute of Architects  
Australian National Retailers Association  
Australian Petroleum and Production Exploration Association  
Australian Retailers Association  
Australian Services Roundtable  
Tourism Australia  
Business Council of Australia  
Chamber of Commerce and Industry WA  
Council of Small Business Australia  
Franchise Council of Australia  
Housing Industry Association  
Industry Super Network  
Infrastructure Partnership Australia  
Institute of Chartered Accountants in Australia  
Minerals Council of Australia  
National Electrical and Communications Association  
National Farmers Federation  
National Institute of Accountants  
National Retailers Association  
NSW Business Chamber

Post Office Agents Australia Limited  
 Printing Industry Association of Australia  
 Queensland Farmers Federation  
 Real Estate Institute of Australia  
 Restaurant & Catering Australia  
 The Pharmacy Guild of Australia  
 Victorian Employers Chamber of Commerce and Industry

**Kyoto Protocol**  
**(Question No. 1300)**

**Senator Cormann** asked the Minister for Climate Change and Water, upon notice, on 18 February 2009:

In regard to Australian financial liability for failing to meet requirements under the terms of the Kyoto Protocol ratified by the Rudd Government in December 2007:

- (1) (a) What is the current estimated financial liability for the 2008-12 period; and  
 (b) what specific requirements does any of this liability relate to.
- (2) (a) What is the current estimated carbon price; and  
 (b) what is the estimated total emissions in excess of Australia's emissions target.
- (3) How is the estimated carbon price determined.
- (4) (a) When does the financial liability accrue to Australia; and  
 (b) to whom will this liability be paid.

**Senator Wong**—The answer to the honourable senator's question is as follows:

- (1) (a) I note that in relation to Australia's obligations under the terms of the Kyoto Protocol, Australia's current estimated financial liability for the 2008-2012 period is zero.  
 (b) Australia has a binding target under the Kyoto Protocol to reduce national greenhouse gas emissions to 108 per cent of 1990 levels by 2012.
- (2) (a) I note there are a range of internationally traded units for which a "carbon price" can be derived. The unit of trade in the European Union Emissions Trading Scheme, the European Union Allowance (EUA) and the unit created by clean development mechanism projects, the Certified Emission Reduction (CER), typically form benchmark international carbon prices. As with many internationally traded products, the price at which these may be purchased vary. As of 3 March 2009, "current vintage EUAs and CERs" traded at \$20.46 and \$18.37 respectively (based on an exchange rate of 1 AUD = 0.500858 EUR). In addition to these units, Governments may also trade Emission Reduction Units (ERUs) and Assigned Amount Units (AAUs) (units issued in respect of targets for Parties during the 2008-2012 Kyoto Protocol commitment period). It is currently uncertain how many ERUs or AAUs are or will be offered for sale and their price.  
 (b) I note that based on current projections<sup>1</sup>, Australia is expected to meet its Kyoto Protocol target. Therefore, the Government is not expected to be a net buyer or seller of Kyoto units in order to meet its Kyoto Protocol first commitment period target.
- (3) relating to how the carbon price estimated, I refer you to the answer provided in 2(a) above.
- (4) (a) The obligation to surrender Kyoto units to meet Australia's target arises at the completion of the compliance assessment after the 2008-2012 commitment period. There is no financial liability associated with this obligation unless Australia exceeds its Kyoto Protocol target.



- (b) At the end of the compliance assessment for the Kyoto Protocol first commitment period, Kyoto units sufficient to meet Australia's target will be surrendered to the UNFCCC. Should Australia be in deficit at the conclusion of this period, the purchase of Kyoto units would be required to ensure Australia meets its international obligations. These units could be purchased from any entity with excess units, including foreign governments, carbon brokers, carbon banks and private entities.

<sup>1</sup>Tracking To The Kyoto Target 2007: Australia's Greenhouse Emissions Trends - 1990 To 2008-20 12 And 2020, <http://www.climatechange.gov.au/projections/index.html>