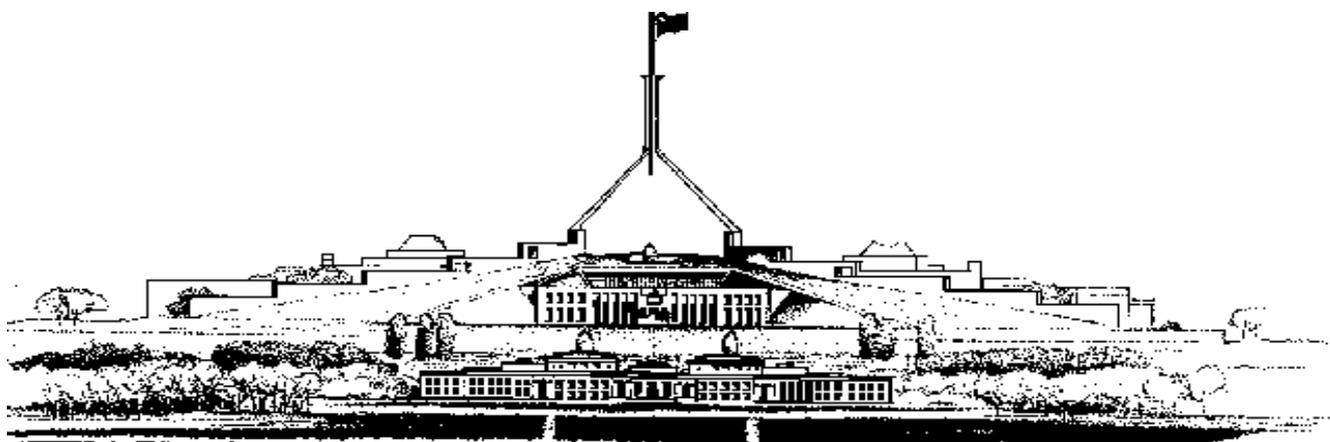




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



Senate

Official Hansard

No.8, 2008

Monday, 1 September 2008

FORTY-SECOND PARLIAMENT
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE SENATE

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SITTING DAYS—2008

Month	Date
February	12,13, 14
March	11, 12, 13, 17, 18, 19, 20
May	13, 14, 15
June	16, 17, 18, 19, 23, 24, 25, 26
August	26, 27, 28
September	1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25
October	13, 14, 15, 16
November	10, 11, 12, 13, 24, 25, 26, 27
December	1, 2, 3, 4

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

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Commander of the Royal Victorian Order, Military Cross

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

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Gary John Joseph Humphries, Stephen Patrick Hutchins, Barnaby Thomas Gerard Joyce,
Anne McEwen, Gavin Mark Marshall, Claire Mary Moore, Stephen Shane Parry,
Hon. Judith Mary Troeth and Russell Brunell Trood

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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 Hon. Christopher Martin Ellison

Senate Party Leaders and Whips

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Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy

Leader of the Liberal Party of Australia—Senator Hon. Nicholas Hugh Minchin

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Leader of the Nationals—Senator Hon. Nigel Gregory Scullion

Deputy Leader of the Nationals—Senator Fiona Joy Nash

Leader of the Australian Greens—Senator Robert James Brown

Leader of the Family First Party—Senator Steve Fielding

Government Whips—Senators Kerry Williams Kelso O'Brien, Donald Edward Farrell and
Anne McEwen

Liberal Party of Australia Whips—Senators Stephen Shane Parry and Judith Anne Adams

The Nationals Whip—Senator Fiona Joy Nash

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
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 ⁽²⁾	WA	30.6.2011	LP
Crossin, Patricia Margaret ⁽³⁾	NT		ALP
Eggleston, Alan	WA	30.6.2014	LP
Ellison, Hon. Christopher Martin	WA	30.6.2011	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 ⁽¹⁾	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 ⁽³⁾	ACT		LP
Hurley, Annette Kay	SA	30.6.2011	ALP
Hutchins, Stephen Patrick	NSW	30.6.2011	ALP

Senator	State or Territory	Term expires	Party
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 ⁽³⁾	ACT		ALP
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 ⁽³⁾	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) 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 Defence Procurement	Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support	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	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	Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion	Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Trade	Hon. John Murphy MP
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

SHADOW MINISTRY

Leader of the Opposition	Hon. Brendan Nelson MP
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations	Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government	Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Defence	Senator Hon. Nick Minchin
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research	Senator Hon. Eric Abetz
Shadow Treasurer	Hon. Malcolm Turnbull MP
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing	Hon. Joe Hockey MP
Shadow Minister for Foreign Affairs	Hon. Andrew Robb MP
Shadow Minister for Trade	Hon. Ian Macfarlane MP
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector	Hon. Tony Abbott MP
Shadow Minister for Agriculture, Fisheries and Forestry	Senator Hon. Nigel Scullion
Shadow Minister for Human Services	Senator Hon. Helen Coonan
Shadow Minister for Education, Apprenticeships and Training	Hon. Tony Smith MP
Shadow Minister for Climate Change, Environment and Urban Water	Hon. Greg Hunt MP
Shadow Minister for Finance, Competition Policy and Deregulation	Hon. Peter Dutton MP
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship	Senator Hon. Chris Ellison
Shadow Minister for Broadband, Communications and the Digital Economy	Hon. Bruce Billson MP
Shadow Attorney-General	Senator Hon. George Brandis
Shadow Minister for Resources and Energy and Shadow Minister for Tourism	Senator Hon. David Johnston
Shadow Minister for Regional Development, Water Security	Hon. John Cobb MP

[The above constitute the shadow cabinet]

SHADOW MINISTRY—*continued*

Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship	Hon. Chris Pyne MP
Shadow Special Minister of State	Senator Hon. Michael Ronaldson
Shadow Minister for Small Business, the Service Economy and Tourism	Steven Ciobo MP
Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs	Hon. Sharman Stone MP
Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance	Michael Keenan MP
Shadow Minister for Ageing	Margaret May MP
Shadow Minister for Defence Science and Personnel; Assisting Shadow Minister for Defence	Hon. Bob Baldwin MP
Deputy Manager of Opposition Business in the House and Shadow Minister for Business Development, Independent Contractors and Consumer Affairs	Luke Hartsuyker MP
Shadow Minister for Veterans' Affairs	Hon. Bronwyn Bishop MP
Shadow Minister for Employment Participation and Apprenticeships and Training	Andrew Southcott MP
Shadow Minister for Housing and Shadow Minister for Status of Women	Hon. Sussan Ley MP
Shadow Minister for Youth and Sport	Hon. Pat Farmer MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary	Don Randall MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Northern Australia	Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Health	Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Education	Senator Hon. Brett Mason
Shadow Parliamentary Secretary for Defence	Hon. Peter Lindsay MP
Shadow Parliamentary Secretary for Infrastructure, Roads and Transport	Barry Haase MP
Shadow Parliamentary Secretary for Trade	John Forrest MP
Shadow Parliamentary Secretary for Immigration and Citizenship	Louise Markus MP
Shadow Parliamentary Secretary for Local Government	Sophie Mirabella MP
Shadow Parliamentary Secretary for Tourism	Jo Gash MP
Shadow Parliamentary Secretary for Ageing and the Voluntary Sector	Mark Coulton MP
Shadow Parliamentary Secretary for Foreign Affairs	Senator Marise Payne
Shadow Parliamentary Secretary for Families and Community Services	Senator Cory Bernardi

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Monday, 1 September 2008

The **PRESIDENT** (**Senator the Hon. John Hogg**) took the chair at 12.30 pm and read prayers.

**GREAT BARRIER REEF MARINE
PARK AND OTHER LEGISLATION
AMENDMENT BILL 2008**

Referral to Committee

Senator PARRY (Tasmania) (12.31 pm)—I seek leave to move a motion relating to the reference of a bill to a committee.

Leave not granted.

COMMITTEES

Economics Committee

Meeting

Senator HURLEY (South Australia) (12.31 pm)—by leave—I move:

That the Economics Committee be authorised to hold a public meeting during the sitting of the Senate today, from 3.30 pm, to take evidence for the committee's inquiry into the provisions of the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008 and related bills.

Question agreed to.

**GREAT BARRIER REEF MARINE
PARK AND OTHER LEGISLATION
AMENDMENT BILL 2008**

Second Reading

Debate resumed from 28 August, on motion by **Senator McLucas**:

That this bill be now read a second time.

Senator BOSWELL (Queensland) (12.32 pm)—I did speak for about two minutes on the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008 on the last sitting day. I want to recap what I said about this particular bill. Some time ago, we were asked to pass a bill that would allow for 70 zones to be designated as representative areas. These were called the RAP zones and they were to allow for biodiversity. That

bill caused a fair amount of debate and during that time Great Barrier Reef Marine Park Authority came to the parliament and asked senators and members to pass the legislation because they wanted 25 per cent of the reef for their representative area zones.

They visited my office and at that stage I suggested that there was enough reef out there for the representative area zones and they did not have to put them in areas where people fished either commercially or as amateurs. I was told, 'Yes, that's a very good idea, Senator Boswell; we'll certainly take note of that.' Of course, when the maps came out anything other than that had happened. We found fishing areas that were used for brood prawns, commercial fishing and amateur fishing were all excluded and put in the green zones. It was a terrible bill to have passed.

GBRMPA asked for 25 per cent and ended up taking about 33 per cent. The consequence was that as a government we had to pay out \$255 million to compensate fishermen, net makers, outboard motor suppliers, fishing tackle suppliers and fish processors. When GBRMPA came to the government they said: 'There'll be a cost to this piece of legislation. It will be between \$1 million and \$2.5 million.' After paying out \$255 million—and still people are not completely happy—we found out the cost of this legislation.

Apart from the huge cost—the huge human cost of people going bankrupt and losing their businesses, homes and marriages—we found that a number of people, I think about 324, were caught fishing in a green zone and received criminal convictions. These were people who went out in their little tinnies with 10-horsepower motors without GPSs and found they had fished in a green zone. They did not understand it; they did not have the knowledge about where the

green zones were and they received a huge fine, I think, of around \$2,000. As if that were not bad enough, those people picked up a criminal conviction for taking their grandsons out in a tinnie and ending up in a green zone because they did not have a GPS or did not know how to use one or did not have maps. One would have thought that a warning and a fine would be sufficient, but, no, these people were given criminal convictions. That has an impact on them when they want to go overseas and cannot get a visa, or get some insurance or take out a bank loan; they have a criminal record and all the stigma that that carries. That was totally unfair. It was not what the previous government intended.

I took this to the party room and in 2006 I was able to get the minister at the time to bring in some form of exclusion from a criminal conviction. That was done as from the date we got it through the parliament. People were excluded from any future convictions. But there were a number of people who had already been caught and we needed to reverse that retrospectively. We have never been able to do that.

Going into the last election, I got a form of words from the then Prime Minister, who said that, if we were returned to government, we would exclude those people from criminal convictions. Unfortunately we were not successful in getting back into government, but we now have an opportunity to amend this legislation. Senator Ian Macdonald and I have sponsored an amendment to the legislation that would reverse the criminal conviction and make it a spent conviction. As I understand it—I am not a lawyer—the spent conviction people would not have access to any files that showed a criminal conviction, and such a conviction would not have to be declared. That is the best we can do, and that is what I am asking this parliament to vote on when this amendment is moved by either

Senator Macdonald or me. We have gone to a lot of trouble to get this amendment, and I hope that it will enjoy the support of the Senate. I say to the Greens that it was an unintended consequence to charge these people with a criminal conviction but, unfortunately, they do have a criminal conviction. I would like to read out a part of a letter to Senator Xenophon, but I have a similar letter which I may table. It says:

On my retirement, my wife and I sold our house, dispersed our belongings, built a yacht and sailed overseas. I have written in magazines on my personal journey sailing through Japan's mystical waters. When I came back I cruised down the coast of Queensland. This was our first coastal cruise since our return to Australia. My 1997 GBRMPA charts did not show the particular green zone.

It goes on to say:

In the name of Australia's 'fair go', I sincerely ask you to move an amendment to the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008 that will soon be before the Senate. My hefty fine is humiliating but the criminal record is patently unfair and I respectfully seek the Senate's help or your help in ensuring it is expunged by this amendment.

That is one person. There are 324 of those people that have been caught with criminal convictions. Many of them are now too frightened to go out in their boats. Amateur fishing in the Barrier Reef has declined and the reason for its decline is that people are frightened to go out and risk being hit with a huge, hefty fine. Grandfathers taking their grandsons out in a 10- or 12-foot tinnie are terrified that they will end up in the green zone.

I am not advocating that there be no fine in a green zone but I am advocating for the reversal of a criminal conviction picked up by anyone who did not have GPS, correct maps or any way of knowing they were fishing in a green zone. I do not think that is un-

fair. We have removed the criminal convictions from a point onwards, and the people that were caught in the criminal convictions prior to that point still carry a conviction. So half the people that fished in the green zone have no conviction and the other half—those who were caught before the point in time that we took it to the party room and got the exemptions—still carry a conviction. Senator Ian Macdonald or I will move this amendment and hopefully it will enjoy the support of the Senate retrospectively.

It is not just this side of the parliament who are concerned about it. During a debate just before the last election, Senator O'Brien, who was the then spokesman for the Labor Party, is reported in the *Townsville Bulletin* as saying:

The government is holding the fishermen's vote to ransom—

we were then in government—

and yesterday's announcement was beyond the pale. Frankly, it is an indictment of the government that they are prepared to play politics about these issues. Those who have been convicted have had these convictions sitting against their names for some time. Why couldn't the government act before today?

Senator O'Brien also said:

An elected Labor government would also be sympathetic to the overturning of the criminal records of the 324 fishermen convicted of the offence. This is about correcting the initial mistakes and we would take a bipartisan position on that.

Senator O'Brien unfortunately is not here, but he will have the opportunity to stand up and support what he said to the people in North Queensland. I do not expect the Greens to support this amendment, but it should have the support of the rest of the Senate. If the Labor Party supported what their shadow minister for primary industry said at that time, then they should support this amendment. I hope that they will and I

hope that Senator Xenophon and Senator Fielding will, because it is totally unfair that some people are caught with convictions prior to our taking the conviction away while the people on the other side of that date are excluded. The main reason I rise to speak on this bill is that I see the total unfairness of it.

There is another issue that I want to raise. In June 2006 we brought down some legislation for the Great Barrier Reef Marine Park Authority. That legislation virtually said, because of a lot of lobbying from this side of parliament, that the Great Barrier Reef Marine Park Authority was no longer responsible for itself; the responsibility for it was going back to the minister. I supported that, I fought for it in the party room and I fought for it in this parliament because I thought GBRMPA was right out of control in doing things such as I have mentioned. So we actually brought in legislation that said: 'The minister will run GBRMPA. Under the Westminster system, that is how it should be.' That is what we did.

But what I find in this piece of legislation that is coming through the Senate is the most draconian definition of fishing. In fact, it says under proposed section 9 that you are regarded as a fisherman if you are in the action of fishing but also if you do any of the following:

- (a) searching for, or taking, fish;
- (b) attempting to search for, or take, fish;
- (c) engaging in any other activities that can reasonably be expected to result in the locating of, or taking of, fish;
- (d) placing, searching for or recovering fish aggregating devices or associated electronic equipment such as radio beacons ...

And the list goes on.

My interpretation of that is that if you even go across a green zone and you have an echo sounder or fish finder on—and an echo sounder is a fish finder—then you are guilty.

In fact, there are more powers under this bill than the Australian Federal Police have to arrest people on charges of espionage. It is totally wrong. So if you want to go and arrest a spy, make sure he has a fish in his pocket and you will be guaranteed to get him.

This is draconian legislation and I will tell you why I believe that it was brought in. It is because, during the debate, someone had the temerity to oppose GBRMPA and take them to court. Magistrate Thomas Black ruled that GPS alone was not accurate enough to convict someone of fishing in a green zone and that proper marine charts and not GBRMPA maps were needed to actively establish a position. If they thought they were hard done by and getting the rough end of that decision, they should have gone back and appealed. But, no, they did not appeal. They have just come in and had more legislation added, had it made it more draconian and added a catch-all so that if someone is even boating across a green zone they are dead to rights caught.

We brought in legislation to try to control or get some sense out of GBRMPA. Unfortunately, I do not think they learnt one lesson. They have come back and I presume have asked the government to give them catch-all legislation. If you are driving over a reef and you have a fishing line in the boat and you turn on your echo sounder, you are dead meat. This is a matter that I hope will go to a Senate committee. I understand that it has the support of the Independents. I am not sure about that; they can speak for themselves.

There are two things in this bill. One is that we are introducing draconian legislation that is more powerful legislation than what the Australian Federal Police have to arrest people under charges of espionage. That is totally wrong. Then we have the aspect that we should be able to expunge some people's criminal charges so that we do not have these

criminal charges hanging over innocent, decent citizens who have not tried to rob a bank or blow up anything and have not been convicted of something else such as theft. We should remove the convictions of innocent people who took their families out fishing and ended up with a criminal conviction. I seek leave to table a letter that has been distributed in the Senate.

Leave granted.

Senator XENOPHON (South Australia) (12.50 pm)—I will make a brief contribution on the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008. Since this matter was last before the Senate, I have had the opportunity to have further discussions with my colleagues Senators Fielding, Joyce, Boswell and Scullion. I also had a very useful briefing from the minister's office last week. I can indicate that, as a result of that process, I support this bill being referred to the relevant Senate standing committee for a relatively short period to allow the concerns raised to be appropriately canvassed—in particular, the convictions for illegal fishing. The coalition says that there are some 324 convictions. At the briefing I had with the government they indicated that they were in the order of 116. Perhaps something that the inquiry can clarify is the number of convictions and the circumstances of those convictions. Of course, these convictions occurred prior to this offence becoming expiable in December 2006. These are matters that need to be sorted out through the inquiry process.

Further, I understand that the inquiry may look at the feasibility of pardoning those convicted and the ramifications of that. I also believe it would be appropriate to consider whether a right of rehearing could be an alternative path for those convicted, although my understanding is that the matters were before the Queensland Magistrates Court.

How that would interplay with this legislation is another matter that needs to be considered. I would be confident that the committee process would look at those technical aspects.

And there, of course, is the whole issue of the current provisions of schedule 6 of the act. I know that Senators Boswell and Joyce, amongst others, have raised concerns about the breadth of it. I think Senator Boswell refers to it as being draconian. It is a question of taking into account the intent of the provisions to effectively deal with those that flout the legislation but avoiding unintended consequences, which has been raised by Senator Boswell and others.

With those brief remarks, I indicate my support for the referral of this bill to a standing committee. I look forward to the committee's deliberations and to the report being presented, if that is the will of the Senate.

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (12.52 pm)—The Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008 is a very important piece of legislation. I am not sure about you, Mr Acting Deputy President, but I learned as a very young man about the Seven Wonders of the World. I was most impressed by the pictures that I saw of the Great Barrier Reef, with its marine life. I think it touched everybody's imagination. As a young man I spent much time around Central Queensland working in the tourism industry associated with the Great Barrier Reef. It is without doubt a fantastic piece of biodiversity which holds an iconic position internationally. There is no doubt at all—and I am sure that this has bipartisan support in this place—that it needs to be protected.

The previous coalition government completed a review of the Great Barrier Reef Marine Park Authority in the general course of good governance. The review made a

number of recommendations and the coalition's response, of course, was to accept those recommendations. This legislation is the result of that decision. Due to the hiatus of the parliament this is the first time that these amendments, which reflect the review, have come before parliament. This is the first opportunity to consider those matters.

This is very, very complex legislation. The time-honoured practice when you are considering legislation of this nature is to reflect on the fact that the devil is in the detail, and this is an absolutely prime example. At first glance, the legislation seems pretty innocuous—providing further protections, stopping villains doing nasty things to fish and generally supporting the act. It all seems a pretty good proposal. Unfortunately, when you get into the detail you see the problems.

Much of my submission has been covered by others in this place, but I would stress a couple of points. Both in Australia and internationally fisheries and marine compliance legislation has by convention provided powers that, as Senator Boswell would describe them, are draconian and Orwellian. That is the case here to a greater or lesser degree. But, as we become more sophisticated with our definitions and with the education of our compliance units, instead of providing extra powers we should actually be diminishing them and providing more education. Certainly marine compliance in the international context has been progressing that way—less hard stick; more education.

Of course, the nature of the marine environment is completely different to that in which, for example, we drove here today. It is very easy to put signs on the corners of streets. It is very easy to educate the community about what side of an artificial line is what. In fact, if it had not been for the advent of GPS and an assumption that there would be no child in poverty without a GPS in their

pocket, I suspect much of the legislation we are looking at would be so reliant on technology now that we simply could not support it. That is not the case, but I think it is very important that we look at the reasons why we are imposing such a draconian process. Generally speaking the bill refers to remoteness and necessities due to isolation. I will quote from the explanatory memorandum. This relates to an inspector of GBRMPA:

The inspector may also conduct a search of a person on the vessel, platform etc, without warrant, for any eligible seizable items or evidential material. The search is of essentially the same nature as a "frisk search" ... This power is necessary to ensure the safety of officers—

Who knows? The fisherman might be armed and dangerous—

conducting searches and to facilitate the efficient collection of evidence. Obtaining a warrant prior to conducting a search is impractical and inefficient ...

And it goes on. I raise that to illustrate my colleague Senator Boswell's assertion that we go to a great deal of effort to provide an extremely wide scope of powers that normally would be conditional upon the judiciary system having some intervention, such as a warrant, but because of the nature of remoteness this is not the case here—though I do not think it is reasonable to suggest that every part of the Great Barrier Reef is so remote as to be exempt from some of those judicial processes.

However, even if you take that on face value it is so important that you then ensure that the definitions are actually going to catch the activity that you are trying to prevent. It all goes back to the basis of mischief—what is the mischief we are trying to prevent with this?—and then having a look at the legislation to see if that actually does the job. It is a pretty simple principle of law. We need to ensure that we do not entrap people undertaking what might actually be

innocent passage. It is very difficult to find the balance.

The management of the Great Barrier Reef Marine Park Authority was not formed to lock it up and leave it. It was formed to provide a forum where the wisest heads in Australia and in the world would get together and provide the very best management arrangements—and those management arrangements are often confusing. People say we have fish experts and dugong experts, but the great challenge with fish and dugong is that, no matter how much you tell them to go right or to go left or to not go over there, they do not have a clue. The legislation before the Senate does not actually act on those creatures; it only acts on the management of people. That is the fundamental point. Managing people is very difficult in this area because people have to know exactly where they are and the circumstances that led to them being there. It deals with different behaviour. Normal activities like sailing a yacht, putting a line over the side or swimming—if you have a pair of goggles on or a spear gun with you—are each very prescriptively described.

It is very important to get the definitions right not only so that we do not catch people who are providing innocent passage but also to ensure that we are not preventing legitimate processes. One might say: 'There are a lot of processes in place. Simply talk to the police and the Great Barrier Reef Marine Park Authority inspectors, who are very well versed in maritime law. They know the act. They will show discretion. If it is obviously not a mischief under the act, they will not worry about it.' Perhaps through instruction or convention, I have to say that anecdotally, and probably factually, that has not been the case in the Great Barrier Reef. If you are outside of the law under the act and you are found, somebody will press charges.

I will bring up a couple of cases in point in terms of the importance of a definition. In item 9 of schedule 6 there is an amendment to section 3(1), which is the definition of 'fishing'. It is quite basic. I understand what fishing is. As a recreational fisherman and previously as a commercial fisherman, I understand exactly what that is. If we are not allowing that there, then the definition should reflect that. I understand what 'the taking of fish' means, and that is a fine part of it. Then there is 'searching for fish', which potentially should be included. But 'attempting to search or take fish'?

One of the challenges with legislation is that we need to ensure that we keep up with the trend. The Great Barrier Reef is important. People continue to tell us about the multi-billion dollar industry in tourism. We need to be competitive to ensure that new developments in tourism arise.

As an example, one of the newest aspects of tourism—what people really want to do—is observing birds. 'Have you seen the latest fairy wren?' 'No, I haven't. Where is it?' There is a huge network. I note that in the Northern Territory, where I am from, there are great opportunities being provided for Indigenous communities through the new avi-tourism. Under the definition here, if you want to find seabirds, the indicators for finding seabirds are the same as for finding tuna. A lot of the tuna groups chase three- or four-inch bait and so do the seabirds—they are not after the tuna. But if you want to find where the birds are—on radar, visually or on your sounder—you follow the fish. That is how we do it. So searching for fish to provide opportunities for avi-tourism will not be able to be done. 'I'm looking for fish, mate.' 'You can't do that here.' 'Why?' 'Sorry. It's in the legislation. You can't do that.' So that is barred.

Regarding the Great Barrier Reef, remember that I talked about the wonderful coloured fish that I saw? We have people who are selling a whole new range of kayak—kayaks with perspex bottoms in them. They are specifically for observing and searching for fish. It is human nature. 'I have seen that one already.' 'What haven't you seen?' 'I haven't seen the left-handed tufted titfish yet, but I'm going to be looking for one. I know there's one out there somewhere, so I will continue to paddle in my kayak or swim around or whatever to ensure that I find one.'

This is the amended section. Some sections of this were in the original act, and I know that Senator Siewert may bring my attention to that. The point that I make is that this is an opportunity to re-look at this and to ensure that this is not in fact going to catch someone by error and is not going to prevent things that we thought were permissible. It is very important that we spell it out.

In terms of 'attempting to search for' and asking people whether they were looking for something with predatory intent, I am not sure how you would separate those issues. I am someone who cannot see a coral trout in an aquarium without seeing a salad and chips. Not everybody is like that. I see things differently than others. There are a number of subtleties that have crept into these definitions that we have an opportunity to sort out.

What we need to do is to spell it out so that everybody understands it. The people who visit the Great Barrier Reef from all over the world, from around Australia and from Queensland need to be able to pick up this piece of legislation and say: 'Those are the rules. They are easy to understand. I can do that. I definitely won't be fishing.' We do not want this legislation to pass this place and then have another series of torts—arrest this bloke and try that out and arrest that bloke and try the other thing out. That is not

the way to do this. We need to get to the bottom of some of those things.

The way to do that is to send this to a Senate committee. A Senate committee would look very carefully at those issues. I foreshadow cosponsoring a motion that will send this to a Senate committee—a short Senate committee; we are not wasting any time on this—that will provide, as the Senate usually does, some advice on those matters. We will be able to call on expert witnesses and on stakeholders, who can come along and provide advice.

I know that my good friend and colleague Senator Siewert will explain in the fullness of time the position of the Greens in this place. One of the things that they are consistent on is this right to have a say. They say, 'We need to consult with stakeholders; we can't give too much draconian power to too few.' That is the line of the Greens. I do not want to verbal them, but I think that that is pretty reasonable. They are held up by some sectors as doing the right thing when they argue that. That is why I am bit astonished today. We are saying that this should go to a Senate committee because of the nature of the powers that are being provided to some compliance officers at GBRMPA. We need to ensure that they are appropriate, that the powers that they have are backed up with education and support from the stakeholders and that principally everybody understands what is going on. I am very disappointed, and no doubt the Greens will have an opportunity to explain themselves in that regard.

I would like to also commend another couple of motions on this matter. Senator Macdonald and Senator Boswell, I understand, will put a motion to ensure that the people on the GBRMPA board have genuine experience or are able to have direct relationships with the stakeholders that have experience, particularly in tourism and other indus-

tries on the reef. I note and support the fact that the legislation provides for amendments to ensure that there is some Indigenous representation. The area of Indigenous use in marine managed areas is an area of great contention. It is still in its genesis. It is very important to ensure that we have Indigenous representatives who have been working on the reef and who can help the board work through some of those processes. But equally—and I would commend Senators Macdonald and Boswell—it is so important to ensure that we do not have people on the board just because of some sort of vague board experience. We do need hands-on experience to reflect the stakeholders and reflect the complexity of the environment about which they are trying to make decisions.

The original act provided for a strict liability offence in terms of the criminality of the matter of a conviction. It has been spoken about before in this place, but I would like to add my support to Senator Boswell's comments. We blew it. Whoever's decision it was, it was not a good decision. We have said: 'Look, guys, it does not matter what the nature of the offence or whatever mitigating circumstances there are. We are going to make sure that it's a criminal offence, not a civil matter.' I guess some of the logic behind it was that this would be a significant deterrent. People would really think about that before they went fishing and they would do the right thing. I think time has shown that that is not the case. That has certainly been overturned, but there was a period of time in which a number of fishermen—and I have been given several numbers, but a lot of fishermen or people who were outside the law—were, through that strict liability offence, charged with a criminal offence rather than a civil offence. It is now a civil offence and I think it makes a great deal of sense from the point of view of equity to go back

and support Senator Macdonald and Senator Boswell's motion to overturn the nature of that offence. Of course, there are difficulties in gaining visas, in travel. There are a whole range of issues that I think are so very important to that matter.

Any matters that are to be dealt with retrospectively obviously have difficulties. Often in the past we have been a bit reluctant to do that, but I think this is one of those matters where we erred, and when this place has erred we should fix that up. There are people out there right now, whom Senator Boswell has spoken about, that are suffering. I have read many of their letters and they have spoken to me personally. I believe that those who have spoken to me have every right to be aggrieved by the nature of that. Those people who have done exactly the same thing since have a civil penalty, and I think that should be dealt with.

But, of course, all of these matters are matters of detail. We are dealing with a reef that has 1,500 species of fish, 4,000 starfish, 400 sponges and a huge number of different zones and different arrangements in different places. So we have to be very prescriptive in ensuring that the legislation is written in a way that is easy to understand. When I spoke to compliance officers from the Great Barrier Reef Marine Park Authority a couple of years ago, they told me that their biggest problem was understanding the legislation. Yes, there had been processes where people had been taken from offshore and demanded to return. They were innocent, but then there was a lot of angst in the community that they were treated poorly. So I think it is to everybody's benefit that we look at this legislation again, particularly the definitions, the nature of the criminality and the civil offences and a number of other areas. That is why I have foreshadowed this going to a Senate committee. I, and also on behalf of Senator Fielding, move:

At the end of the motion add:

and the bill be referred to the Standing Committee on Environment, Communications and the Arts for inquiry and report by 23 September 2008.

Senator SIEWERT (Western Australia) (1.11 pm)—I would like to remind the chamber what we are talking about. We are talking about a bill, the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008, that makes a number of amendments to the act which, overall, modernise and strengthen the act. We are talking about a bill that modernises and strengthens the act, and the act is there to protect the Great Barrier Reef Marine Park, which is the largest and most extensive coral reef system in the world. It covers an area of 344,400 square kilometres. It is one of the richest, most complex and most diverse ecosystems in the world, and that is highly significant. It is an honour for Australia to have such an important reef. It is a unique and diverse marine system that comprises 2,900 reefs, 600 continental islands and 300 coral cays. It is home to 1,500 species of fish; one-third of the world's soft corals; 13,000 dugongs—Australia's entire population is estimated to be around 90,000, so it is a very significant proportion of those dugongs; six species of marine turtles, all of which are listed as threatened; and 30 species of cetaceans—whales and dolphins. It has been recognised for many years and it has been listed as a World Heritage site. It is in fact the largest World Heritage area in the world. Unfortunately, the area is facing a great many threats, not least of which, and coming down right at us, is the impact of climate change. Many predictions are that it is going to have a very severe impact on the reef. In other words, we as Australians have a responsibility to protect this reef.

I also remind the chamber that there has been extensive review of the management of

the Great Barrier Reef Marine Park and extensive consultation—years in the making. As Senator Boswell pointed out, there has been a big compensation package also. So I find it quite astounding that at the last minute to midnight the coalition start jumping up and down, when originally this legislation was listed as non-contro legislation. All of a sudden, at one minute to midnight, they have discovered major issues with it. The Greens, as people know, opposed the previous motion by Senator Fielding to send this off to a committee because the original date of reporting was 10 November and the Greens think there has been adequate consultation around this particular legislation. We are very keen to get moving and get this very important legislation in place. So that is why we thought that it was entirely inappropriate to send it off to a committee. We need to get these important protections in place for the reef, not to push it off yet again. Sending it off to a committee to report in November is far too late.

Let us look at what some of these changes are. The changes are to the objects and applications of the act, putting in place a new objects section, with the primary object of the act being the long-term protection of the environment, biodiversity and heritage values of the GBR. They are absolutely essential amendments from the point of view of the Greens, and it is about time that that primary objective was finally put in place. The changes also put in place for the Great Barrier Reef Marine Park Authority a requirement for at least one member of the authority to be an Indigenous person. I do not think there will be any objection to that; I certainly hope not. The changes proclaim the new marine park, zoning plans and plans of management; improve the environmental impact assessment process; look at the investigation and enforcement regime for the park; and also, as other senators have pointed out, pro-

vide for offences and the civil penalties, under schedule 6.

All of these are important amendments. So we are deeply concerned because this legislation has been a long time in consultation and in the making, and originally it appeared to us that the intention was to keep putting it off and putting it off. Issues have been raised around the definition of 'fishing'. As far as I understand it, the definition of fishing is the same one that currently exists in the act. What this bill in fact does is move it to the definition provisions of the act. The definition covers:

searching for, or taking, fish;

attempting to search for, or take, fish;

engaging in any other activity that can reasonably be expected to result in the locating of, or taking of, fish;

... ..

any operations at sea directly in support of, or in preparation for, any activity described in this definition;

We believe that this is a reasonable definition of fishing. And one wonders if all the consequences that Senator Scullion has just pointed out are going to result when it is the current definition. Have we had these troubles to date? As I understand it, they are not the issues that have been raised in relation to those people who have now got a criminal conviction. I do not think they deny fishing. I think it is about the location in which they were fishing, not the act of fishing. It is very important that we make the point that this is the same definition that was previously in the act. Yes, it has moved. Yes, there are amendments. But it is still about the taking of fish—not, as Senator Joyce pointed out, about considering the taking of fish. One wonders if the Great Barrier Reef Marine Park Authority now have extrasensory perception and can read people's minds about whether or not they are considering fishing.

I think that is a distraction and that what is happening at the moment is an attempt to slow down this legislation which, as I said, has been a long time in the making. There has been a lot of consultation. Yes, there is discontent in the industry. But it is time that the act was modernised and strengthened to do what the rest of Australia wants it to do, and that is to protect the Great Barrier Reef and to put in place the primary objective: the long-term protection of the environment, biodiversity and heritage values of the most important reef in the world. That is why the Greens did not support putting this off any longer by referring it to another inquiry to raise the same issues that have been raised ad nauseam in this place about dealing with the criminal convictions that fishers have faced.

I am seeking further advice, but I have never heard of putting into a piece of legislation pardons for people. Senator Ludwig last week explained to this place what provisions the government has made to move towards fixing the issues. I can appreciate that having a criminal conviction on your record can lead to problems for you and is scary. Just ask the thousands of people that have convictions on their records for protesting to protect the environment. I have never heard anybody, other than Greens senators, standing up and trying to defend those people—and those people have exactly the same concerns about criminal convictions on their records when all they have been doing is standing up for the environment. All of a sudden, because these people are fishers, we have to hear it forever and ever. I look forward to the day the same people stand up for the rights and the protections of those who stand up purely for the environment—not for self-interest, not for taking things from the environment, but to protect it. As I said, I look forward to people standing up and speaking out for them.

We accept that both the government and the opposition will be sending legislation to a committee. Thank goodness it is now for a shorter time frame. I expect that then we will have a debate on this bill and it will get passed by this place so that the necessary protections for the Great Barrier Reef are finally put in place, because these are the things that are important. Protecting this World Heritage reef is what is important. That is what we are debating here. People seem to have lost sight of the fact that this debate is about actually protecting the Great Barrier Reef—a reef that is endangered; a reef that all scientists are now saying is under extreme threat.

Australia has a global responsibility to protect this reef and it needs to do its utmost to protect it. Here we are having arguments about the definition of fishing when what we are trying to do is achieve better protection for the Great Barrier Reef. I urge senators to bear that in mind when they are considering this legislation—what we are actually talking about is the future of the reef itself, which is threatened and endangered and has many endangered species. If we do not manage it properly, future generations will ask: ‘What were you doing? You were fiddling around while the future of this very, very important place was going down the drain.’ I am extremely disappointed that these issues are still being brought up when they have been brought up, as I said, ad nauseam in this place. The government has in fact moved to fix it, yet we are still talking about it. We were told last week that only four people have applied for a pardon. This has been talked and talked about, yet only four people have applied for a pardon. Please, let’s get on with it and start legislating for the protection of the most important reef system in the world. How embarrassing: internationally they are looking at us fighting about the definition of fishing when we are talking

about the most important reef in the world. Please, let's get on with it.

Senator FIELDING (Victoria—Leader of the Family First Party) (1.22 pm)—I know that recreational fishing has been in the news over the last couple of days, but there have been some real injustices done to some ordinary Australians that should get more coverage in the news. Some ordinary Australians have just put their fishing line inadvertently in the wrong spot and have then been pinged and have now got a criminal conviction. That is certainly one issue. But the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008 in front of us is also dealing with some complexities and changes in some concepts and definitions to do with the Great Barrier Reef Marine Park. The recreational use of the marine park is a key issue for the community living in northern Queensland and maybe some of the concepts in this bill may roll around into other marine parks, so I think that we do have to be very careful.

There is community concern that this bill might further restrict recreational fishing in the park. Of course we should be protecting such a precious part of our natural heritage as the Great Barrier Reef, but that needs also to be balanced with recreational needs. Family First believes that the concerns that have been raised need to be considered and we need to make sure that these concerns are heard and that the bill does not end up shutting recreational activities completely out of the park. The management of the park has come under question in recent years, and I mentioned before the crazy situation where some recreational fishermen have been given criminal convictions for dropping a fishing line inadvertently in the wrong place.

When we have serious and significant community concerns about the effect of any bill it would make sense to have it referred

through to a committee, and that is what Family First sought to do last week. Hopefully, we will have this bill referred to the Senate committee to look at the best way of sorting through the issues and concerns. As Senator Scullion mentioned before on the second reading amendment that was moved and jointly sponsored by Family First, we are hopeful that this Senate chamber agrees that it is wise to refer this bill to a committee hearing. I will make it clear that Family First will not support this bill if there is not a Senate hearing, and that should force the issue, to make sure that ordinary Australians can also have their concerns raised and addressed through a Senate process. I think that that is a good thing to be done.

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (1.25 pm)—In summing up this important debate on the Great Barrier Reef Marine Park and Other Legislation Amendment Bill 2008, I thank the senators who have contributed to the debate and raised the issues that are of concern to them. We know, of course, that the bill makes long overdue and much-needed changes, as Senator Siewert so clearly said. It puts in place a robust, comprehensive regulatory framework for the Great Barrier Reef, fit for meeting the challenges of the future, we believe. The bill demonstrates the Australian government's commitment to securing the future of the Great Barrier Reef, undisputedly one of the nation's and the world's most important natural assets.

In summing up, I will address some comments made in the contributions to the debate and the amendments that have been proposed by the opposition. Senator Macdonald in his contribution noted:

All Australians ... are custodians of the reef and we have to play our part in ensuring that it is properly protected.

Yet the opposition is refusing to play its part. It is failing to support these important changes to enhance protection of the Great Barrier Reef. These are the changes which the opposition has been at pains to point out are being made at its initiative as an outcome of its 2006 review of the Great Barrier Reef Marine Park Act 1975. These changes are necessary to ensure that the 2004 zoning for the marine park, which the then coalition government put in place and provided over \$200 million in structural adjustment assistance to support, can be effectively administered and enforced. These are more than just lines on a map. These are the changes that in the recent debate in the House the opposition indicated its strong support for. Yet now it is the opposition that is seeking to stymie the progress of the bill by raising questionable objections.

The amendments sought by the opposition would overturn the convictions of all people caught fishing illegally in the Great Barrier Reef Marine Park in the period from 1 July 2004 to 14 December 2006—both recreational fishers and commercial fishers. One version of the opposition's amendments would, if passed, result in the legislature granting pardons, currently the prerogative of the Governor-General. In moving this way, the opposition attacks the separation of powers that underpins our constitutional democracy, blurring the lines between parliamentary and executive powers and the independence of the judiciary, and setting of course what would be a very dangerous precedent.

The basis for the proposed amendments is the fact that an infringement notice scheme was introduced in December 2006. Persons caught fishing illegally in the marine park may now be issued an infringement notice. If

issued with a notice, a person can pay a fine and avoid criminal prosecution. The opposition claims that persons convicted prior to the infringement notice scheme have somehow been treated inequitably.

The issuing of an infringement notice is discretionary. It remains the case that fishing in areas of the marine park closed to fishing is a criminal offence. Illegal fishers can still be prosecuted or issued a warning, and the overwhelming majority are dealt with by way of a warning. The offence has not been downgraded or decriminalised—an additional, discretionary enforcement mechanism has been introduced. To that extent, Senator Boswell was not correct when he said in the Senate on 27 August:

We were successful in providing in the legislation that, from a point in time, no further convictions would carry a criminal penalty.

Senator Macdonald made a similar comment, which was also not correct.

The introduction of new enforcement mechanisms such as infringement notice schemes is quite common as governments seek innovative, flexible and efficient ways of securing compliance with the law. This often results in particular forms of offence being enforced through different means before and after regulatory reforms. This is consistent with the fundamental principle of our criminal justice system that persons committing an offence should be dealt with in accordance with the law that exists at the time the offence is committed.

The bill currently before the Senate introduces an even broader range of enforcement options. In the future a breach of the Great Barrier Reef Marine Park Act could be enforced through criminal prosecution, a civil penalty, a remediation order, an enforceable undertaking or direction, an infringement notice or a warning. Applying the argument put forward by the opposition senators, fol-

lowing passage of this bill the government would be expected to revisit every previous enforcement action dating back to the inception of the act in 1975 and would need to consider how they would be dealt with in the light of the new range of enforcement options available to those administering the legislation. This clearly is not a sensible outcome, it is not good policy and it is not something anyone would want set as a precedent.

Applying this precedent to drug offences, for example, many states have introduced the option of infringement notices for certain classes of marijuana possession. Is the opposition suggesting that governments pardon the many thousands of people convicted for drug possession prior to these changes? I note also that, over time, decriminalisation of drug offences has applied to a progressively smaller range of offences. Applying the precedent that the opposition is looking to set, governments would be expected to reinstate some of the convictions that it had previously pardoned. These are the sorts of consequences that flow from the opposition's proposed amendments, which demonstrate quite clearly that the proposed amendments are poor policy at best and dangerous at worst.

The government does not believe there is an equity issue here. In fact, the government is concerned about the equity implications of the proposed amendments. The opposition's preferred amendment would actually result in people who under the current arrangements have paid an infringement notice penalty being treated inequitably to those convicted. If the convicted persons were pardoned, the government would be required to repay all fines. These people would get off without any penalty while others have willingly paid their \$1,100 infringement notice penalty. Even if the fines somehow were not repaid, the majority of recreational fishers

convicted were ordered to pay less than \$1,100 and some were actually ordered to pay fines as low as \$200. Senator Macdonald and Senator Boswell, simply removing the conviction or treating it as spent would result in the majority of people caught illegally fishing before the introduction of the infringement notices scheme being treated more favourably than those who have honestly paid the \$1,100 infringement notice penalty.

Senator Ian Macdonald—Who wrote this rubbish for you?

Senator STEPHENS—It is also worth remembering the nature of the offences in question here, Senator Macdonald. For example, within the group convicted of illegal recreational fishing there are people who first of all were repeat offenders. That needs to be acknowledged. They were found fishing within metres of a sign saying that the area is a green zone and that fishing is not permitted. They were breaching not only the zoning plan but also Queensland fisheries legislation by being over the bag limit and taking undersized or protected fish. They were people who attempted to cover the registration number of their boat when surveillance flights passed to prevent identification. In other words, they clearly knew that they were doing the wrong thing.

As the coalition's amendment would also deal with commercial offences it would certainly have some implications. It would let off scot-free the people who were repeat offenders and who trawled in green zones on multiple occasions, which can be enough to undo the benefits accruing from the area being closed to fishing over several years. They were people who used lines several kilometres long in a green zone. Such fishing practices are not permitted anywhere in the marine park because of their significant environmental impacts, let alone in a green zone.

These people were given fines in the order of \$30,000 to \$40,000 in recognition of the seriousness of the offence and the environmental harm caused. The opposition proposes to pardon these people and let them walk away scot-free too.

It is also worth noting that the government is not aware of any commercial fishers raising concerns about convictions. In fact, commercial fishing bodies are of the public view that both commercial and recreational fishers should play by the rules and if they do not should be penalised to the full extent of the law. The overwhelming majority of people play by the rules and stick to fishing in areas of the marine park where fishing is permitted. Let us be clear: quashing the convictions of people who have actually broken the law punishes those who do the right thing and sends a signal that it is okay to break the law if all you are doing is fishing in the marine park. For these reasons the government will not be supporting the amendments if moved.

I will briefly touch on some other points in the debate. Senator Joyce was at pains to emphasise that if this legislation is allowed to pass it will set a new benchmark, somehow will call into risk the Australian way of life and will jeopardise our entire system of law. In this respect Senator Joyce was particularly concerned about the application of the precautionary principle and the definition of fishing. This bill in many ways is simply bringing what is currently quite antiquated legislation up to speed with modern equivalents. On the issue of the precautionary principle, I can inform Senator Joyce and opposition members that the principle underpins some 120 Australian federal and state laws. These include the Commonwealth's primary environmental law, the Environment Protection and Biodiversity Conservation Act 1999, which is legislation that was drafted and passed by the coalition when in government;

the Commonwealth's Fisheries Management Act 1991; and Queensland's Fisheries Act 1994. So the benchmark has well and truly been set as far as the precautionary principle is concerned.

We know from the administration of these 120-plus laws that the precautionary principle does not support the proposition that decision makers can simply act on the basis of an 'inherent fear', to use the words of Senator Joyce. What the principle means is that where there is scientific uncertainty and there is a risk of serious or irreversible environmental harm we should err on the side of caution. This is only common sense. If we do not know, and there is a risk of an impact that is irreversible, we certainly need to think carefully about how we proceed.

This does not excuse the government and its agencies from managing and administering legislation based on the best possible information. Indeed, the government and the Great Barrier Reef Marine Park Authority are committed to using comprehensive and robust scientific and socioeconomic information to underpin management of the Great Barrier Reef. As an example, the government has committed \$40 million to a Marine and Tropical Sciences Research Facility, or MTSRF, located in North Queensland. The MTSRF plans, funds and coordinates scientific and socioeconomic research to underpin management of the Great Barrier Reef, the Torres Strait and the wet tropics.

As another example, the Great Barrier Reef Marine Park Act requires the five-yearly preparation of an outlook report on the state of and outlook for the Great Barrier Reef and the effectiveness of management measures. The report must be peer reviewed by experts appointed by the minister and must be tabled in the parliament. The outlook report was a key recommendation of the 2006 review of the act. It will provide a ro-

bust, comprehensive, peer reviewed and publicly available source of scientific and socio-economic information to inform management and to provide accountability. The first report is due in July 2009.

As a final example, the zoning plan development process set out in the act requires the following: if a zoning plan is opened to review, the authority must publish scientific and socioeconomic information explaining the reason why it needs to be; and, at the time of public consultations during zoning plan development, the authority must publish relevant scientific and socioeconomic information.

Senator Joyce also raised concerns about the definition of 'fishing', and Senator Siewert was very clear in her criticism of that. Again, the definition in the bill is not some draconian innovation. In fact, the definition of 'fishing' in the bill restates the existing definition in the act, with one minor change. Currently, processing and transporting fish could be considered fishing. This has been removed specifically in response to industry feedback. There have otherwise been no concerns about the definition raised in the seven years since the definition was first included in the act by the then coalition government.

Not only is the definition not new to the Great Barrier Reef Marine Park Act but it has been a feature of the Commonwealth's Fisheries Management Act since 1991. The consistent definition harmonises the rules and helps fishers to better understand their obligations under both environmental and fisheries laws. So rather than this bill setting a precedent, as Senator Joyce suggested, the precedent has already been set in other legislation, which has been working effectively for some years. The definition is not only consistent with fisheries legislation but is also consistent with normal criminal law,

whereby planning to commit an offence can itself be an offence. Therefore, searching for fish in a zone where fishing is prohibited could potentially amount to an offence where it is clear that fishing is contemplated. This would not pick up people who were doing the right thing, such as people travelling through a zone to get to an area where fishing is allowed, even if they, for example, had a sonar fish finder on board. What the provision quite importantly does pick up is the situation where someone is clearly about to do the wrong thing but has been apprehended just in advance of doing so. It is in this sort of circumstance that a court might be inclined to enter a conviction if the matter is proved beyond reasonable doubt. There have been cases where this has happened and no concerns were previously raised.

The government has circulated an amendment, which it plans to move during the committee stage. The amendment will extend the current prohibition on mining and drilling in the Great Barrier Reef region to also apply to geological storage of greenhouse gases. This provides clarity and certainty regarding the government's position on this issue. The government considers geological storage of greenhouse gases as an important prospective technology for reducing greenhouse gas emissions, but believes there are more appropriate locations for it than our unique Great Barrier Reef.

I have noted during the debate the concerns of Senators Fielding and Xenophon, who are supporting moves to refer the bill to committee. Should they still wish to do so after having heard the government's response to the key concerns raised in the debate, the government will not oppose the motion, but will ask that a reporting date of 15 September 2008 be set. I will shortly move an amendment to that effect. The government does not believe that an extended inquiry into the bill is necessary. This bill is a prod-

uct of an extensive review and consultation process already, and it has strong support from stakeholders, including both commercial and recreational fishing peak bodies and, until this sudden about-face, the coalition. So only a small number of concerns have been raised here in the debate and I have responded to these on behalf of the government.

The bill makes long overdue and much needed changes. It puts in place a robust, comprehensive regulatory framework for the Great Barrier Reef which is fit for meeting the challenges of the future. It brings regulatory arrangements for the Great Barrier Reef up to speed with contemporary legislation, which is something that should have been done long ago, and it something that this government does not wish to delay unnecessarily. I commend the bill to the Senate.

I now move the foreshadowed amendment to the second reading amendment moved by Senator Scullion. I move:

Omit “23 September 2008”, substitute “15 September 2008”.

Question agreed to.

The ACTING DEPUTY PRESIDENT (Senator Humphries)—The question now is that the second reading amendment moved by Senator Scullion, as amended by Senator Stephens, be agreed to.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

Referral to Committee

Pursuant to the order of the Senate agreed to on 1 September 2008, the bill stands referred to the Senate Standing Committee on Environment, Communications and the Arts for consideration and report by 15 September 2008.

TAX LAWS AMENDMENT (2008 MEASURES No. 3) BILL 2008

Second Reading

Debate resumed from 16 June, on motion by **Senator Faulkner**:

That this bill be now read a second time.

Senator COONAN (New South Wales) (1.46 pm)—I rise to indicate that the coalition will be supporting the Tax Laws Amendment (2008 Measures No. 3) Bill 2008. Like most of the tax law amendment, or TLAB, bills that have come before the Senate this year, this bill is effectively identical to the tax technical issues that the coalition committed to changing last year when we were in government but which lapsed because of the federal election.

I like to try and keep track of the schedules, so I indicate for the record that the bill initially had four schedules. The first schedule dealt with the taxation of rights and options and the second schedule dealt with GST refunds. Schedules 3 and 4, with bipartisan support, were rolled into the Tax Laws Amendment (2008 Measures No. 2) Bill 2008 back in June so that they could be passed at that time as they were non-controversial. Both the government and the opposition supported referring the remaining schedules, Nos 1 and 2, to the Senate Standing Committee on Economics so that the details could be examined further. We are now here to debate these remaining first two schedules.

The coalition parties have historically been the parties of lower taxation in Australia, and it continues to be the case today. The recent budget has certainly confirmed this. The Howard government was a leader in tax reform, pushing ahead with major reform such as the implementation of the GST and reduction in the uncompetitive tax rates that stifled innovation and indeed aspiration. When in opposition, Labor criticised and

complained and did not appear to have any alternatives. In fact, they even went to the last federal election without having a tax policy. This was clearly evident only a few days after they gained government when they announced the tax policy that they would implement. It was eerily similar to the coalition's policy, with a few changes to the timing of the reduction in the rate of the top tax bracket. It was clear then that the coalition leads on taxation and Labor follows, and it is exactly the same in this case with this bill.

The purpose of schedule 1 of the bill is to amend taxation laws to overcome the impact of the High Court of Australia's decision in the *Commissioner of Taxation v McNeil* in 2007, the McNeil case. Before the McNeil case, the longstanding taxation approach was that shareholders issued with rights by companies seeking to raise capital would not have an income tax liability at the time of issue. Instead, rights issues were treated as issues of capital account and would be subject to CGT tax provisions. In the McNeil case, a High Court majority ruled that the value of the sell-back rights was assessable income of the taxpayer according to ordinary concepts, and the amount was derived by the taxpayer on the listing date of those rights. The McNeil decision has caused, I think it is fair to say, considerable uncertainty as to the future tax assessability of company distributions. It was a significant concern in the corporate sector.

Generally, one would expect that unexercised rights would be considered capital. As such, the coalition announced on 26 June last year that the then government would introduce legislation to overcome the McNeil case and return to the previous tax arrangements. So I am pleased to see that the Rudd government has followed our lead. We have, however, noted the projected nil impact of these measures on revenue as stated on page

3 of the revised explanatory memorandum. I think I know the answer to this, but I invite the Minister representing the Treasurer, in his remarks on this bill, to clarify the revenue implications. If revenue is currently being treated as income as a result of the McNeil case, this means that it is being taxed in the current year. If, as the bill intends, it will treat revenue as capital then this will mean that it will be taxed in later years. The point to clarify is how shifting the time of tax from now into future will have nil impact on the budget bottom line. I would appreciate it if the minister could clarify to the Senate how treating revenue as capital will not have any effect on the amount of tax collected.

The purpose of schedule 2 of the bill is to amend the Taxation Administration Act 1953 so that problems with the scope of the goods and services tax, or GST, refunds caused by the decision in *KAP Motors v The Commissioner of Taxation* are overcome and problems with the four-year time limit on the refund of indirect taxes are dealt with. In *KAP Motors v The Commissioner of Taxation*, the case centred on whether the commissioner had to refund GST mistakenly paid to him by two car dealerships before they had reimbursed the end customers for the mistakenly paid tax. The court held that two taxpayers were entitled to a refund of GST mistakenly remitted to the commissioner before *KAP Motors* had reimbursed the end customer. The court decided that, as no actual goods and services had been supplied to the end customers, no GST was payable.

This bill seeks to deal with the issues raised in the *KAP Motors* case and will consequently make amendments to the GST legislation to provide clarity with regard to GST refunds and the time frame in which these refunds can be claimed. The bill will ensure that a refund from the tax office of mistakenly paid GST is allowed even if the refund to the end customer has not yet been paid.

Also, it will ensure that these types of GST refunds, along with other indirect tax refunds, are able to be recovered within a four-year period. Schedule 2 is an entirely sensible change to the legislation and the coalition is pleased to support it. That deals with the two remaining schedules in Tax Laws Amendment (2008 Measures No. 3) Bill—we can never think of a better way to name these TLAB bills. Having said that, the coalition supports appropriate tax reform and lower taxes, and will be supporting this bill.

Senator HURLEY (South Australia) (1.52 pm)—I also rise to support the Tax Laws Amendment (2008 Measures No. 3) Bill 2008. It is certainly a sensible measure to address two problems that have arisen. As Senator Coonan described, the first one is in the corporate sector where put and call options and the treatment of their income has been made a little uncertain. The Senate Standing Committee on Economics did get submissions from a couple of people requesting that the government go further in the treatment of this and also in clarifying non-renounceable share rights. This certainly addresses the issues arising out of the McNeil case and does clarify that the proceeds for those put options in particular, and call options, are not income on a year-by-year basis; they are not assessable income as such but only assessable as capital when those rights are exercised. Therefore it restores, the government believes, the original intent of that legislation. It will also apply retrospectively for those that have acquired put or call options to 1 July 2001.

The remaining issues that were raised by the Institute of Chartered Accountants and also by the Taxation Institute of Australia, the committee believed, would be dealt with by Australian Taxation Office interpretation of those laws. A number of these matters have already been raised in a submission to the Tax Design Review Panel, which was set

up on 2 February 2008 by the government. Indeed, as Senator Coonan said, schedule 2 of this bill deals with GST payments where the court found that they were not treated as supply, and this called into question the treatment of GST refundability. The government believes that this bill maintains the integrity and original intent of the GST system. It applies whether or not the GST payment was held to be in relation to supply. It also deals with the issue of the four-year limit for both taxpayers and the tax office, and gives certainty in that respect. The committee recommended that these bills be passed—that they were both very sensible measures and any request to go further would be dealt with by the review panel set up by the government. That would restore the balance of the tax bills. I am pleased to support the bill.

Debate (on motion by **Senator Ludwig**) adjourned.

Sitting suspended from 1.57 pm to 2.00 pm

QUESTIONS WITHOUT NOTICE

Murray-Darling River System

Senator BIRMINGHAM (2.00 pm)—My question is to the Minister for Climate Change and Water, Senator Wong. I refer to the fact that the minister has not yet provided to the Senate the urgent advice on the short-term options to address the dire situation facing the lower lakes and the Coorong that she referred to on 18 June. My question is: what options are the government considering to address the situation at the lower end of the Murray in the short term? Will the minister now call an urgent meeting of the Murray-Darling Basin Ministerial Council rather than waiting until November to implement urgent measures needed to assist the Murray mouth, the lower lakes and the Coorong?

Senator WONG—In relation to the order to produce, as I think my office indicated

through Senator Minchin's office, I will be making a statement later this afternoon on that issue. Can I be very clear about this: this government is willing to get all the facts on the table when it comes to the lower lakes. We will ensure, as I will outline in the statement later today, that the information that the public needs to fully consider the situation in the lower lakes, the Coorong and the Murray-Darling Basin more generally is provided to the Senate both for the information of senators and for the information of the public.

More generally, on the issue about which I was also asked, which is the lower lakes and the Coorong, I remind Senator Birmingham that the only politician I am aware of who has actually publicly advocated the flooding of the lower lakes with seawater is his own colleague Dr Stone. I note that he as yet has not fronted up to the South Australian people and indicated his view on Dr Stone's comment and whether or not she is wrong. If she is not wrong, how come the opposition yet again is saying one thing downstream and one thing upstream?

I have made clear a number of things in relation to the lower lakes. The first is this: just as a range of other icon sites and the river more generally are suffering from a history of overallocation, drought and climate change so too are the lower lakes and the Coorong. Those of us from South Australia know that the end of the river has historically, and even more so in recent times, experienced significant difficulties. As Senator Birmingham would know, given he takes an interest in these issues, the two years to November 2007 saw the lowest inflows on record into the River Murray—43 per cent lower than the previous lows.

It is unfortunate that those on the other side simply choose to play cynical politics with this issue in the face of a Mayo by-

election. This is from a government that never purchased a single megalitre of water in 12 years, but now in the shadow and in the face of a Mayo by-election it wants to cynically manipulate this issue. My view about this is that this is a serious issue that demands serious policy response. It requires, in both the medium term and the short term, action by governments.

We have purchased our first tranche of \$50 million of water. I note, and Senator Birmingham might want to comment on this, that concerns about water purchase have been raised by his colleague Mr Cobb as well as by Dr Stone. Again, one thing upstream, one thing downstream—that is the way the opposition works. We have purchased water. We have already announced in Adelaide a further purchase both in the northern basin and in the southern basin and we have indicated that we are open to rationalisation proposals from irrigation communities. This government is working both in the short and in the long term to address a historically difficult problem. We do not shy away from it and we will provide information to ensure that this debate is driven by the facts because the reality is this is not an easy situation to fix. (*Time expired*)

Senator BIRMINGHAM—Mr President, I ask a supplementary question. I note the minister started out by saying that later today she would provide information to the Senate but then corrected herself to say she would be making a statement to the Senate. My question to the minister is this: does the urgent advice to which she referred earlier this year actually exist? If it does exist, why is it so hard for the minister to table that advice or is it simply a case that the government is waving the white flag on the Murray River?

Senator WONG—This is a question from an opposition senator who was part of a party that did nothing on this issue for

12 years. I have said I will provide a statement to the Senate which canvasses the issues that have been raised. I have also said that we on this side are of the view that the discussion about the River Murray and the Murray-Darling Basin should have all the facts on the table. That is why we supported an inquiry into the Murray-Darling Basin and an inquiry into the lower lakes and the Coorong. We believe that you have to look at the whole issue. We have to recognise that currently there is insufficient water in the system to do everything we want. We need to have all those facts on the table because for too long water policy in this country has been driven by politics and by senators opposite who were not prepared to make hard decisions. (*Time expired*)

Interest Rates

Senator JACINTA COLLINS (2.07 pm)—Congratulations, Mr President. My question is to the Minister representing the Prime Minister, Senator Evans. Will the minister please update the Senate on recent movements in interest rates and the importance of maintaining a strong surplus?

Senator CHRIS EVANS—I thank Senator Collins for her question. Australian families have had to endure a succession of interest rate rises in recent years—10 official interest rate rises in a row under the previous government, which added almost \$400 to the monthly mortgage bill of an average new mortgage. Whatever happens tomorrow in terms of the RBA's meeting, we do understand that families are still doing it tough in the face of high interest rates and high living costs. It is the reason why we need to continue to make room for the Reserve Bank to provide interest rate relief by maintaining a strong surplus and investing in our nation's productive capacity. It is why this government delivered a \$55 billion Working Families Package, putting real tax cuts into fami-

lies on low and middle incomes through the budget. It is why we have acted decisively to put more competitive pressure on the banks through our bank switching package so that families can more easily vote with their feet if they feel they are not getting a fair deal from the banks. If the official rate does come down tomorrow, it is important that all banks pass it on so that families get the relief they deserve. Any bank that fails to pass on an official rate cut will stand in stark contrast against those who, I am glad to say, have already undertaken to do so.

This government is focused on its long-term plans for the economy, such as putting downward pressure on inflation and interest rates. We will not be deterred by the short-term politics practised by the opposition. I was pleased to note that Wizard Home Loans yesterday announced it would cut its variable home loan rate by 25 basis points. We hope that is the policy pursued by all other lending institutions if there is a movement in interest rates.

At a time of global economic uncertainty, we need a strong surplus. It provides a buffer against global turmoil, it ensures the Reserve Bank has the room to move on interest rates and it is critical to financial nation building investments for the future. That is why this government stands by its \$22 billion budget surplus. It is vitally important. The opposition seek to oppose measures that will allow us to deliver that surplus. Australians understand that surplus is part of the responsible economic management that allows us to tackle inflation and high interest rates. I would urge the opposition to pass the budget to allow us the revenue measures that create the surplus, which in turn puts downward pressure on interest rates and inflation. Currently, the opposition—purely for opposition's sake—want to defeat the measures that would deliver \$6.2 billion for the budget. Every dollar they oppose is taken away from

critical investments in our roads, our rail, our health system and our universities. That money is vital to the economic strategy. Instead, the opposition seek to defend people from a tax on luxury cars. They regard luxury car taxation as unreasonable. They also want to prevent fair taxation of big oil companies. They have not got their priorities right. This government is maintaining a large budget surplus to put pressure on interest rates and to put downward pressure on inflation to help Australian families. (*Time expired*)

Emissions Trading Scheme

Senator ELLISON (2.11 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Is it a fact that, under the green paper proposals for the so-called Carbon Pollution Reduction Scheme, companies emitting up to 1,499 tonnes of carbon dioxide per million dollars of revenue will get no compensation while companies emitting just one tonne more—1,500—will get 60 per cent compensation. Minister, won't the government's proposed ETS simply encourage industries to pollute more in order to get compensation?

Senator CARR—I thank Senator Ellison for his question. The point has been made by the government on numerous occasions that the green paper has been issued for the purpose of consultation. This government is a government that takes the issues of climate change exceptionally seriously. The approach that has been taken by this government is in sharp contrast to that which was taken by the opposition. The opposition took the view that we could deal with these questions over any length of time and it really was not a matter of urgency. The government, under the portfolio responsibilities of Senator Wong, has taken on these issues with deliberation and has sought to ensure that there is an effective means by which these

questions can be dealt with. The government has demonstrated that it is committed to reducing the enormous competitive challenges faced by emissions-intensive industries in such a manner as to ensure that incentives remain for those industries to adjust to the emerging global, carbon constrained environment.

On that basis, the government put out a green paper for consultation. It welcomes discussion with industry. It is seeking to ensure that the proposed scheme is effective, meets the criteria that the government has set and allows industry in Australia to remain competitive while at the same time encouraging a fundamental shift in attitudes on climate change. This is the way in which we can ensure that this country is prepared for the future. This is the way in which we can attract new investment. This is the way in which we can ensure that industry is able to meet its responsibilities and that this community as a whole is able to face up to the challenges of climate change.

Senator ELLISON—I thank the minister for confirming that the CPRS will indeed encourage some companies to increase pollution. I ask the minister a supplementary question: can he advise the Senate of any other country which has proposed or is proposing an emissions trading scheme which will create a similar carbon emissions trap?

Senator CARR—Thank you very much for the supplementary question. Senator Ellison, you are only too aware of the representation responsibilities in this chamber. I think you will also be aware that there are a range of responses around the world to these questions. Australia is taking its responsibilities seriously. It is an enormous pity, Senator Ellison, that in the 12 years in which you were in office you shirked your responsibility and so much time was lost as a consequence of your negligence and dilettante atti-

tude to these questions. You basically sought to give aid and comfort to the climate change sceptics to the point where this country is not as prepared as it should have been to deal with these fundamental issues. Now we have a government that is keen to ensure that consultation occurs, that we prepare this country for the future and that we attract the necessary investments so that this country can meet the challenges of climate change.

Economy

Senator FEENEY (2.15 pm)—My question is to Senator Conroy, the Minister representing the Treasurer. Given the current global economic challenges, can the minister outline the strategies the Rudd government is implementing to ensure the Australian economy will grow and prosper into the future?

Senator CONROY—I thank Senator Feeney for his question. Every economy in the world is facing tough economic conditions. The global credit crunch and the global oil price shock have buffeted confidence and share markets around the world. Countries like Germany, Japan, France, Italy and Canada have all recorded negative growth in their most recently reported quarters. We are not immune to these developments. We are confident, however, that with the right policy settings we will come through these difficult global times in a stronger position than other economies. A key part of our plan is focusing on nation-building initiatives that will underpin and enhance Australia's long-term economic prosperity. We recognise that investment in key infrastructure and skills is critical. Investment in infrastructure and skills is the key to unlocking the productivity potential of the economy.

Benchmarked against other developed economies, Australia's productivity has slipped below par in the past years. Productivity growth over the three years to 2006-07 was 1.1 per cent compared to 3.3 per cent a

year over the five years to 1998-99. For 12 years those opposite neglected the big, long-term challenges facing the Australian economy. They ignored them. That included our infrastructure needs across a range of areas such as roads, communications and railways. Instead, they squandered the proceeds of the mining boom, playing short-term politics. They were more focused on ripping away the entitlements of workers with Work Choices than investing in the future capacity of the economy.

Genuine nation building means lifting the productive capacity of the economy. It means boosting productivity, lifting international competitiveness and investing in our human capital. That is how we will deliver a new generation of growth with low inflation. The previous government ignored 20 warnings from its expert advisers about the impact of skills shortages and capacity constraints on inflation and interest rates. Twenty warnings from the Reserve Bank were ignored by those fiscal vandals opposite.

Unlike those opposite, the Rudd government has a national building plan backed up with real dollars, including \$41 billion for responsible investment in the future infrastructure, education and health needs of the nation. Those opposite, when it came to infrastructure, were happy to dredge Tumby Creek. They were not interested in any serious nation building or infrastructure building in this country. (*Time expired*)

Climate Change

Senator JOHNSTON (2.20 pm)—My question is to Senator Evans, the Minister representing the Prime Minister. Does the government believe that exported Australian uranium helps in the reduction of global greenhouse gas emissions?

Senator CHRIS EVANS—I thank Senator Johnston for his question. As the senator would know, currently the export of uranium

from Australia is permitted, and we have very large exports of uranium. The question of its impact on greenhouse gas emissions around the world is perhaps a separate issue.

Senator Ian Macdonald—That's the question.

Senator CHRIS EVANS—I am not quite sure what the point of the question is. The reality is that there are a number of suppliers of uranium in the world. We sell into the uranium market. We sell in strict accordance with the international safeguards for the sale of uranium. We sell in accordance with those international commitments and we only sell to those who are party to those international arrangements for the satisfactory use of that uranium. The uranium is sold into a global market and our share in that market varies according to the various market factors.

Some countries have a need for nuclear energy to meet their energy demands. We as a Labor government in this place have a policy position where we do not support using nuclear power as part of Australia's energy sources. We will continue to look to use more renewable energy in addition to our efforts to move to clean coal technology. So we do not see nuclear power as an option for Australia, and I think currently that is also the opposition's policy—but I have been confused in the past as to whether you are pro nuclear power in this country or not. It seems to have gone back and forth.

But clearly other countries make their energy decisions based on their own needs. Countries such as France, which has very little alternative, went to nuclear power many years ago. Other countries are making decisions based on their own resource needs. I know China is using a combination of hydro, coal and nuclear and is looking to develop a variety of sources. We sell uranium into those markets. The decisions about what energy sources they seek to use are questions

for them. But for us the issue is: we market our uranium and sell into international markets based on strict international safeguards and we will continue to do so.

Senator JOHNSTON—Mr President, I ask a supplementary question. Yesterday at the Western Australian Labor Party election launch the Minister for Climate Change and Water, representing the Prime Minister, endorsed the policies of Labor in WA, which include the banning of mining and export of uranium. Given that the former antinuclear activist, the current Minister for the Environment, Heritage and the Arts, Mr Garrett, last week approved of the expansion of the Beverley uranium mine in South Australia, isn't this further evidence that Labor is hopelessly divided on the development of a national uranium mining policy and how Australia can contribute to the reduction of global emissions?

Senator CHRIS EVANS—I thank Senator Johnston for his question and his continuing effort to fight the WA state election in the Senate chamber. I am sure it will prove just as unsuccessful as on previous occasions. To correct the record, I actually represented the Prime Minister at the launch, not Senator Wong, but I did have the pleasure of sitting next to her. They chose her as the speaker, though, because she is much more eloquent than me, and she gave a very interesting and encouraging speech.

As the senator would be well aware, ALP national policy provides for states to make their own decisions about how they develop their uranium reserves. South Australia is seeking to maximise its uranium sale capacity. The Western Australian government take a different view. That is a view that they are taking to the election, and one can at least give them credit for being very clear with the public about their position. (*Time expired*)

India: Floods

Senator BOB BROWN (2.26 pm)—My question is to Senator Faulkner, the Minister representing the Minister for Foreign Affairs. I ask, in light of the extraordinary tragedy in Bihar state in India, where three million people are displaced by flooding of the Kosi River, with 250,000 houses swept away and estimates of up to 3,000 people dead and hundreds of thousands starving, what urgent and immediate aid has Australia offered and been able to deliver to this disaster area? What further aid is being considered by the government?

Senator FAULKNER—I thank Senator Brown for his question. I certainly am aware of the situation that Senator Brown raises in his question and UNICEF's estimates that some 2.7 million people in over 1,000 villages have been affected by these absolutely devastating floods, as Senator Brown has mentioned.

On 28 August, the Indian Prime Minister and Union Home Minister visited the affected areas and announced emergency assistance of US\$244 million and 125,000 tonnes of food grains for survivors. Army, air force and other defence personnel have been mobilised. About 155 camps have been established accommodating about 30,000 people. A primary focus here is to distribute food packets, including through air drops, and to provide clean water, sanitation and essential medicine. I can also confirm that engineers have commenced repair work on the broken dam, although this may well take some time, of course, to restore.

I think it is important to remind the Senate that the policy of the Indian government is not to appeal for international assistance for relief. However, I think any support provided on humanitarian grounds would be accepted. UNDP in India has advised that the United Nations will not be appealing for support on

behalf of the Indian government. However, my understanding is that Indian NGOs are meeting to discuss whether they will issue an international appeal. Of course, I can confirm that the Australian government is very concerned about these floods. It is important to note here that the Indian government and authorities have acted very quickly to rescue and support survivors.

It is also important to note how quickly the Red Cross and UN agencies have responded with emergency supplies. The Red Cross, UNICEF and the United Nations Development Program are assisting the local authorities with relief efforts and coordination. UNICEF has conducted a rapid needs assessment in the three worst affected areas and is planning for a larger intervention. It is also important to note that Nepal has also been severely affected by the burst dam, with some 70,000 people displaced there, as I understand the situation.

In the circumstances, with the approach of the Indian government, I can inform the Senate that Australia will always consider requests for assistance from affected countries. That is the most recent information that I have available for the Senate. But if there is anything further that I can add, Senator Brown, I would be very happy to do so.

Senator BOB BROWN—Mr President, I ask a supplementary question. I thank the minister for that answer. In view of the sheer size of this disaster, will the minister seek to see how Australia is placed to assist UNICEF or other agencies in rapidly getting assistance into the area? Will the government look at the prospect of Australia establishing an international disaster centre in this country to deal with the recurrent major disasters that we see in our region, such as the tsunami, earthquakes, cyclones and now this flood disaster in Bihar?

Senator FAULKNER—I thank Senator Brown for the supplementary question. I am happy to ask the Minister for Foreign Affairs and any other relevant ministers for a view in relation to the international disaster centre. This is something that has been raised previously by Senator Brown. In relation to this specific tragedy in Bihar and Nepal, we need to take account of the views and the approach that the Indian government is taking and be respectful of that. Australia will consider requests from affected countries as appropriate. Senator Brown, I am more than happy to ask the Minister for Foreign Affairs if he can provide any more specific information on those matters for you.

Government Contracts

Senator FIERRAVANTI-WELLS (2.32 pm)—My question is to the Special Minister of State, Senator Faulkner. On what date did the minister, as the head of the government staffing committee, write to the Auditor-General informing him that the government staffing committee into the CMAX affair was suspended pending his investigation?

Senator FAULKNER—I have not written to the Auditor-General in relation to this matter. I can confirm, as I have mentioned to the Senate before, that in May of this year the government staffing committee commenced an examination of matters related to the award of a media services contract to CMAX Communications. I have reported previously to a Senate estimates committee the nature of the communications that I had with the Minister for Defence as a result of a briefing that I received from the Department of the Prime Minister and Cabinet. Senator Fierravanti-Wells and other senators would be aware of that background.

I can again say to the Senate that the examination by the government staffing committee was close to conclusion. I had also informed the Senate, and had said publicly,

that the outcome of the committee's consideration was expected imminently. It is true that before the committee could conclude its consideration on this matter it was informed that the Auditor-General would undertake a performance audit of the CMAX Communications contract. In fact, he was asked to do this by not one but two opposition senators in this chamber.

I would point out that upon receipt of this advice the committee, quite properly, formally suspended its consideration of this matter pending the outcome of the Auditor-General's performance audit, which I believe—and which I hope all senators in this chamber believe, and which any person who believes in proper and rigorous process would believe—was very much the appropriate approach. The government staffing committee takes the view that I took: that it would not be appropriate for that committee to continue its deliberation in light of that pending performance audit. The Auditor-General, obviously, has statutory auditing functions to fulfil, and the committee believes that it must await any findings from that audit process so that the committee can also properly consider them.

As I have indicated to anyone who has cared to ask me about this—and I will say it again—the government staffing committee and I will fully cooperate with the Auditor-General on this matter.

Senator Abetz—Of course you will.

Senator FAULKNER—Of course. I can also say that the Department of the Prime Minister and Cabinet will take the same approach. I ask the opposition to respect the independence of the Auditor-General. I suggest that the opposition allow the Auditor-General to get on with his job free from any political grandstanding. (*Time expired*)

Senator FIERRAVANTI-WELLS—Mr President, I ask a supplementary question.

Can the minister inform the Senate, as part of the undertaking of cooperation, if the email and phone records of Mr David Epstein, Ms O'Rourke and Mr Christian Taubenschlag will be voluntarily provided to the ANAO, or will the ANAO be required to exercise their powers under section 32(1)(a) of the Auditor-General Act to seize the email and phone records?

Senator FAULKNER—What I can very clearly say to the Senate is that the government staffing committee—and, for that matter, let me say, I, as the Special Minister of State—will provide all material that is sought by the Auditor-General. As I have said before, but I will say it again in case Senator Fierravanti-Wells did not hear, he will receive full cooperation from the government staffing committee.

Superannuation

Senator FURNER (2.38 pm)—Mr President, may I firstly congratulate you on last week's resounding endorsement of the position you hold here in the house today. My question is to the Minister for Superannuation and Corporate Law, Senator Sherry. Can the minister please update the Senate on the Australian superannuation system and why at this time in particular it is so important that the government take a responsible approach to economic management?

Senator SHERRY—I thank Senator Furner. I think it is his first question. The matter of superannuation fund returns for many millions of Australians is of course very, very important and at no time more important for millions who have received fund statements which show widespread and deep negative rates of return—negative rates of return averaging approximately 6.5 per cent. What is important in this context is to understand that superannuation is a long-term form of investment, over 35 or 40 years or even longer, depending on when a person

retires. So it is the long-term rate of return in a defined contribution system which is the relevant measure—over at least five to seven years, preferably 10 years.

What we do know is that, as I said, these are the deepest and most widespread negative rates of return. We have seen negative rates of return before, in 2000-01, but certainly in the 20 years of the compulsory system introduced by the former Hawke-Keating Labor government—a very important social and economic reform—these are the deepest and most widespread negative rates of return that have been seen. Nevertheless, the total pool of funds now exceeds A\$1.1 trillion, the fourth largest pool of savings in this form anywhere in the world.

A good way to illustrate the importance of the long-term rate of return in superannuation is to indicate that a dollar invested 10 years ago in superannuation would now be worth \$2.07 on average. That includes last year's negative rate of return. Over the last 35 years the real rate of return, after all fees and charges, has averaged five per cent, so it is the long-term rate of return that is of critical importance.

But how has this circumstance come about? We know that in the last 12 months it has been very tough in the Australian and international equities and share markets. We have had some particularly challenging global circumstances. This has been brought about by what has been known as the sub-prime mortgage crisis in the United States, where there have been very significant write-downs—in fact, billions of dollars—in various investments, and these investments have unfortunately been passed around the world, particularly into Europe. As I say, it was most significant in the United States. This financial crisis is far from over. The sub-prime situation is flowing through to what are known as Freddie Mac and Fannie

Mae—major lending institutions in the United States—as well as to a significant number of regional banks, who will be revealing the extent of their exposure to losses in the next quarter. So this major financial crisis, certainly the most significant financial crisis seen in the last decade, is far from over.

What is important in this climate of international financial crisis in the money markets is economic responsibility. With international markets down, it is very, very important we maintain a strong \$22 billion surplus to take pressure off interest rates and give the Reserve Bank the room it needs to reassess monetary policy. But, of course, what we have from the former Liberal government, now sitting in opposition, is their intention to punch a major hole in that budget surplus. They are opposing measures worth over \$1 billion, totalling some \$6.2 billion over the forward estimates period. So in a period of major economic international financial crisis we have an irresponsible Liberal opposition, who appear not to even know there is an international financial crisis, intent on lowering our budget surplus. *(Time expired)*

Fiji

Senator PAYNE (2.42 pm)—My question is to the Minister representing the Minister for Foreign Affairs, Senator Faulkner. What is the government's response to calls by Pacific nations to suspend Fiji from the Pacific Islands Forum? Is it the government's view that the suspension of Fiji from the Pacific Islands Forum will increase the likelihood of elections being held in Fiji sooner rather than later?

Senator FAULKNER—I will provide Senator Payne with what information I have on this matter, and if it does not fully satisfy her I will obviously ask the Minister for Foreign Affairs if he can add any further information. I can say that the government is

gravely concerned about the situation in Fiji, particularly recent statements by the Fiji interim government that it does not intend to honour its commitment to hold an election by March 2009. At their meeting in Niue on 21 August, Pacific Islands Forum leaders responded firmly on these issues, as you know, condemning the statements and making it clear that they expect the interim government to meet its election commitment.

Leaders also expressed serious concern that the interim government did not attend the forum. Mr Bainimarama has shown his contempt, I think, for the region by not attending and explaining himself. The forum leaders' resolutions followed a successful visit to Fiji by the forum's Ministerial Contact Group in July. That group confirmed that an election by March 2009 is still possible providing there is political will on the part of the interim government. Forum leaders have directed the Ministerial Contact Group to continue to monitor the situation, including by possibly making another visit to Fiji. The group will report to leaders before the end of 2008 and make recommendations on further measures. Forum leaders will then consider convening a special leaders meeting this year to consider further measures, including the possibility of suspending Fiji from the forum.

The forum has shown that abuse of democracy in the region is unacceptable and will not be tolerated. Australia urges the interim government to heed the concerns and expectations of its Pacific island neighbours and to work with the forum to ensure that an election is held by March 2009.

Senator PAYNE—Mr President, I ask a supplementary question. I thank the minister for that information. Can the minister also advise the Senate of the government's awareness of the status of the much-vaunted electoral reform process, the development of

the so-called People's Charter, and whether there is any engagement by Australia or other donors or any of Fiji's Pacific Island Forum colleagues in support of that process?

Senator FAULKNER—The information I have is that the People's Charter process appears to be distracting the interim government from returning Fiji to democracy and the rule of law. I can say that Australia will not be providing financial support to assist what we believe is a flawed charter process. Australia's position is consistent with that of the forum: we support an independent and inclusive dialogue in Fiji that is complementary to the interim government's election commitment, that is supported by all key stakeholders and that is conducted without preconditions, threats, ultimatums or predetermined outcomes. Australia, along with other forum countries, is willing to assist in appropriate ways the independent, Commonwealth led, political dialogue process and, of course, all political parties in Fiji have agreed to participate in those talks. *(Time expired)*

Skills Shortage

Senator PRATT (2.47 pm)—My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister please update the Senate on how the government is addressing Australia's chronic shortage of people with maths, science and engineering skills?

Senator CARR—I thank Senator Pratt for her question, which I understand is the first of what I hope will be many to come. Australia's skills crisis is a legacy of the Howard-Costello government. For 12 years the Howard-Costello government failed to invest in skills. In 2006 the then Minister for Education, Science and Training released the audit of science, engineering and technology skills. This audit found that Australia was

heading for a shortfall of 19,000 scientists by 2012-13.

We are entitled to ask: what did the previous government do about this? The answer is: nothing. It was left to this government to actually take action. In our first budget we allocated \$625.8 million to boost maths and science skills. This included \$562.2 million over four years to reduce fees for new maths and science students, starting from 1 January. This could save full-time students as much as \$3,250 a year. The package includes \$69.6 million over four years to reduce the HECS-HELP repayments for maths and science graduates who work in related fields including teaching. Graduates will be eligible for a refund of around half of their HECS repayments for up to five years, saving up to \$1,500 a year.

Yesterday the Minister for Education announced that HECS refunds would be extended to graduates who take up primary school teaching positions, in addition to those in secondary schools. It is essential if we are to have more quality maths and science teachers that we nurture the next generation of specialists in these fields—and with a third of today's secondary maths and science teachers aged over 50, the time to act is now.

It is also essential that children get a good grounding in maths and science in primary school when they are most alive with curiosity about the world. The national benchmark results for 2007 show that the proportion of students meeting numeracy benchmarks falls from 93 per cent in year 3 to 89 per cent in year 5 and to 80 per cent in year 7. We have to stop this erosion and ensure that children leave primary school ready for high-school maths and science. We also have to get more students sticking with these subjects right through to year 12.

There has been a steady decline in the number of students doing year-12 physics, chemistry and advanced mathematics. This in part reflects entrenched disadvantage and does, in turn, entrench disadvantage. Students from our four lowest socioeconomic groups are half as likely to do year-12 chemistry and physics as students from the highest socioeconomic group. If anyone wants to know why Australia desperately needs an education revolution in our schools then here is the answer. That is why the government is seeking to increase the capacity, the quality and the equity across the education system, and that is why we are acting to reverse 12 years of neglect from those opposite.

Rudd Government: Cabinet Submissions

Senator RONALDSON (2.52 pm)—My question is to the Minister representing the Prime Minister. Can the minister confirm that the Department of Prime Minister and Cabinet has discontinued providing coordination comments on the cabinet submissions circulated to ministers, a practice which has been in operation for over 20 years?

Opposition senators interjecting—

The PRESIDENT—Order! Senator Ronaldson is entitled to be heard in quietness.

Senator RONALDSON—Can the minister further advise the Senate whether PM&C is still providing comments on cabinet submissions to the Prime Minister?

Senator CHRIS EVANS—I thank the senator for his question. I had a brief on this issue when it was current some days ago but I actually took it out of the file, thinking that you had not got round to it. I will do my best and get any further information for you later, Senator Ronaldson, if I do not answer it all. I can say that Prime Minister and Cabinet continue to provide commentary in a coordination way on cabinet submissions. As I understand it, there have been some changes in the

way those processes are applied, but they do provide commentary on submissions. They are very actively engaged with ministers and their departments on their cabinet submissions. I can vouch for that. They take a keen interest in any cabinet submission you make and engage with you fully on all the issues. So there is still strong engagement by PM&C on all cabinet submissions but there have been some changes to processes, and I will get the detail on notice, Senator Ronaldson, about how I can help you. I do not have the brief in front of me. But it is the case, as you would expect, that the Prime Minister continues to get extensive briefings from the department on all cabinet submissions. He is always very well prepared and is fully briefed by his department. But there have been some changes to the processes and I will take on notice the remaining parts of the question I have not been able to help the senator with and provide him with an answer.

Senator RONALDSON—Mr President, I have a supplementary question. Minister, earlier this year in the Great Hall the Prime Minister told a large gathering of public servants that he wanted ‘frank and fearless’ advice. In light of this extraordinary decision to discontinue coordination comments, aren’t these words to be seen now as nothing but spin and isn’t this just another example of a micromanager in overdrive?

Senator CHRIS EVANS—I can say that one of the things that has really impressed me since Labor came into government is that we do get frank and fearless advice from our public servants. They are prepared to offer it and they accept the fact that this government welcomes it and respects their role. I am pleased to say that we were very impressed by the former head of PM&C, Dr Shergold, who provided fearless and frank advice and I know that the Prime Minister appreciated his contribution. The new head of PM&C, Mr

Moran, also provides frank and fearless advice. So I have no concerns with regard to that, Senator. You are obviously trying to make some sort of cheap political point, but I can assure you that we still receive very strong advice from PM&C on all policy decisions that go to cabinet.

Zimbabwe

Senator FORSHAW (2.56 pm)—My question is to Senator Faulkner, the Minister representing the Minister for Foreign Affairs. Given the continuing international concern at the unresolved situation in Zimbabwe, could the minister update the Senate on recent developments there, in particular the events surrounding the opening of the parliament and the impact of these events on the outcome of talks on the political crisis?

Senator FAULKNER—I thank Senator Forshaw for his question. What I can say to Senator Forshaw and the Senate is that the Australian government's view is that Mr Mugabe has no legitimate claim to the presidency of Zimbabwe. He stole the presidency in an environment of violence and intimidation and of course with a lot of suffering from the people of Zimbabwe. Official results for the first round of the presidential election in March showed that Mr Morgan Tsvangirai won 47.9 per cent of the vote compared to Mr Mugabe's 43.2 per cent.

The election of representatives from the opposition Movement for Democratic Change party to both the Speaker and Deputy Speaker positions in the House of Assembly on Monday of last week indicates that there are cracks in the foundation of Mr Mugabe's power. It remains to be seen what impact this will have but it reinforces the fact that the political crisis, including the key issue of executive powers, has not yet been resolved in Zimbabwe. The Australian government is deeply disappointed that despite several weeks of negotiations a resolution to

the political crisis in Zimbabwe has not been found.

Negotiators from both parties returned to Zimbabwe over the weekend after having held discussions in South Africa with South African mediators but with little sign of progress towards a deal. Recent actions by Mugabe to strengthen his regime's dominance raise questions about his commitment to these negotiations. The reopening of parliament by Mr Mugabe last week directly violated an agreement reached last month between all key parties which opened negotiations for a legitimate political solution.

Mr Mugabe announced on 27 August that he would soon be forming a new government. I can say, of course, that his regime is conducting an ongoing campaign of harassment and intimidation against opposition MPs. Australia has consistently called for a resolution to the crisis that reflects the will of Zimbabwe. This would have to include Mr Tsvangirai, who won more votes than Mr Mugabe in the presidential election. The Minister for Foreign Affairs, Mr Smith, has made clear that any political solution that does not include Mr Tsvangirai would be a farce and I think that is a very fair summation of the situation.

Australia has been at the forefront of international measures to pressure the Mugabe regime through sanctions while being careful to ensure that these measures do not affect ordinary Zimbabweans. Australian sanctions, of course, have been in place since 2002, as senators would be aware, and cover financial and travel restrictions applied to Zimbabwean ministers and certain Zimbabwean officials, a ban on adult children of sanctioned individuals from studying in Australia, suspension of non-humanitarian aid, prohibition of defence links, suspension of bilateral ministerial contact and downgrading of cultural links. Of course the government is commit-

ted to reviewing existing sanctions with a view to strengthening those sanctions.

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

**QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS**

Indigenous Communities

Senator CHRIS EVANS (Western Australia—Leader of the Government in the Senate) (3.01 pm)—On 28 August, Senator Siewert asked me, in my capacity as Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, questions about Indigenous communities. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

SENATOR SIEWERT—28 AUGUST 2008

INDIGENOUS COMMUNITIES

The legislative strategy for SEAM includes a balance of mandatory provisions, where Centrelink must act, and some discretionary provisions (to ensure that there are adequate safeguards for individual families).

Underpinning the legislation is the power for the Minister to make guidelines by way of a legislative instrument. These will be supported by policy guidelines, which will be finalised in conjunction with relevant agencies and respective Ministers' offices.

Special circumstances. There are provisions in the primary legislation and supported by policy guidelines, which allow Centrelink to determine whether a customer is experiencing special circumstances which mean they are unable to meet their participation requirements and a temporary exemption is therefore warranted. General exemptions include major personal crisis, major disruption to the person's home, cultural business and sorry business. Centrelink must determine what evidence is required to support the customer's claim and the exemption period.

Reasonable Excuse and Special Circumstances Relating to this Measure Detailed guidance on the application of reasonable excuse principles and special circumstances will be provided in policy guidelines and/or legislative instruments. The policy guidelines will include examples of acceptable excuses and circumstances, details of the types of verification that may be required to substantiate a claim of reasonable excuse and suggested review timeframes.

Examples of categories of reasonable excuse are:

Enrolment

School Related Reasons

- No appropriate school places available in area
- Reasonable belief that school cannot provide a safe environment and no other appropriate school available)
- School or education authority rejects application (and no other appropriate school available)
- School vacation period

Health/Mental Health Reasons

- Parent has severe drug, alcohol and/or mental health issues (this reason could also trigger a re-assessment of care arrangements and/or referral to State or Territory child welfare authorities)
 - Illness of parent prevents necessary contact with school
 - Temporary inability to contact school by any means
 - Child incapacitated beyond the limit of available school resources (e.g. child has a profound disability)
- Literacy/CALD Reasons
- Parent unable to comprehend requirement and no interpreter available
 - Child unable to benefit from schooling without special interventions (e.g. interpreter or remedial reading consultant) not available in area
- Other Reasons
- Domestic issues such as domestic violence, homelessness, jail, urgent additional caring duties, other traumatic incidents

- Schooling requirement child has unavoidable caring responsibilities
- Bereavement: death of close family member or member of cultural group with recognised traditions of extended bereavement (e.g. most traditional Indigenous clans, some non-Christian faiths)
- Permanently moved out of area/in the process of moving

Attendance

School Related Reasons

- Child expelled or suspended and no other appropriate enrolment available (education authority interventions might be expected in this scenario)
- School cannot provide a safe environment, for reasons such as systemic bullying of the child (and no other appropriate school available)
- School vacation period
- School closure due to natural disaster, fire, storm damage, vandalism etc.

Health Reasons

- Illness of parent when parent is sole means of transport to school or where that illness renders the parent unable to prepare the child for school
- Illness of the child prevents attendance
- Parent has severe drug, alcohol and/or mental health issues (this reason could also trigger a re-assessment of care arrangements and/or referral to State or Territory child welfare authorities)
- Parent (female) is within six weeks of confinement for childbirth

Mobility Reasons

- Transport previously available becomes unavailable, and no suitable alternative exists
- Persistent weather prevents attendance (e.g. floods block access to school for extended period)

Other Reasons

- Independent volition of child (parent is genuinely trying to engage with school or educa-

tion authority but child is resisting or ignoring those efforts)

- Schooling requirement child has unavoidable caring responsibilities
- Domestic issues such as domestic violence, homelessness, jail, urgent and major additional caring duties or other traumatic incident
- Permanently moved out of area

Special Circumstances

The special circumstances provisions of the legislation are designed as a further safeguard against unwarranted penalisation of parents or their children through the suspension or cancellation of income support payments.

Centrelink can use special circumstances to encourage or promote behavioural change in parents by restoring and back-paying suspended payments on the promise of future compliance. For example, special circumstances could be applied to lift a suspension immediately where Centrelink has negotiated action by a parent to enrol their child in school when the parent travels to town on the following Monday.

Another illustration of special circumstances would be in the event that, following the application of a suspension period, a school fails to formally notify Centrelink of a parent's improved compliance. In these circumstances, Centrelink could lift the suspension while liaising with the school.

Other instances of special circumstances apply in relation to the restoration of payments. For example, there could be factors that were not drawn to Centrelink's attention when the decision to suspend was made, but would have worked against the decision to suspend if known at the time.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Murray-Darling River System

Senator BIRMINGHAM (South Australia) (3.02 pm)—I move:

That the Senate take note of the answer given by the Minister for Climate Change and Water (Senator Wong) to a question without notice

asked by Senator Birmingham today relating to the Coorong and lower lakes in South Australia.

Senator Wong likes to come into this place and talk about how the record low inflows into the Murray have continued over the last couple of years. Senator Wong is right to talk about the record low inflows as they are occurring and she is right to highlight that. One of the key reasons why she is right to highlight that is that it demonstrates the need for urgency, continual change and adaptation to the situation in the Murray. Some 18 months or so ago the then government announced a package of reforms for the Murray. The then Prime Minister announced a plan for a clear national takeover. State Labor governments filibustered on that plan right through until after the election. They held it up doggedly and they stopped real action at that stage taking place. In the intervening time we saw a year go by of further record low inflows into the Murray—the situation getting even worse—and missed opportunities because of the actions and failure of state Labor governments to come on board with that national plan.

As we all know, late last year a new government was elected. Senator Wong, a South Australian senator, and the now Prime Minister frequently went to Adelaide and promised the world in what would be delivered for saving the River Murray and for reassuring South Australians that they could be confident that a new government would fix the problems of the River Murray. They promised extra money, which they later reneged on, they promised clear action and they promised that the states would work together and end the blame game. What has come about since then is a far cry from all of those promises and a government that has had to buy off one of their state Labor colleagues and has had to compromise on national takeover of the Murray in a manner that means we will not see effective national manage-

ment of the Murray-Darling Basin until 2019, which is a long, long way away. All this was done to pacify the Victorian Labor government. Of most concern in the immediate environment in regard to Senator Wong's response today is that we have a government who have failed to deal with the immediacy of the problems facing the Murray-Darling Basin, the irrigation communities throughout it and in particular the lower lakes.

Senator Feeney—The Howard government—

Senator BIRMINGHAM—Senator Feeney mentioned the Howard government. He might care to reflect on what I said about the reality of his colleagues in Victoria. Senator Feeney, your Victorian Labor colleagues were holding the process up and were playing sheer bloody-minded politics with the Murray-Darling Basin. That was the outrage that occurred in holding it up. Now Senator Wong wants to claim record low inflows as the reason why more cannot be done. Record low inflows are the reason why more should be done quickly and immediately. It is the reason she should be taking urgent steps. We all agree with the long-term action that needs to be taken. We will argue over the details of how long it should take and how quickly it should be taken, but there are immediate things that should be done as well.

Senator Wong, under pressure on this issue, said back in June that she would seek urgent advice on these issues. She told us in this place about urgent advice, so the opposition for some time has been calling for that urgent advice to be released and for Senator Wong to bring forward the November Murray-Darling Basin ministerial council meeting to today, to September, to consider that urgent advice that she said she was seeking. Instead not only do we not get to see the urgent advice when the opposition calls for it

but when the Senate asked Minister Wong to table it by midday on Thursday of last week—a Senate Return to Order motion which she blindly ignored—she came in here today and started to say that maybe she would table something but then she corrected herself and said simply that she would be coming in to make a statement.

The challenge for Senator Wong this afternoon is to come in and table clear-cut urgent advice that she sought in June of this year, to table something that is identifiably from that time and demonstrate that she was not just kidding us when she said she was seeking urgent advice. She should show us that it really does exist so that the whole country can see what possible steps could be taken by this government—that they are clearly failing to take—to address the situation in the lower lakes community. The challenge is for her to take up the challenge that the opposition has made and not to just reforms in water— (*Time expired*)

Senator LUNDY (Australian Capital Territory) (3.07 pm)—Listening to Senator Birmingham speak, it was really hard to tell why he seemed to be trying to attack the Labor government when in fact most of his comments and hand wringing about poor timing relate specifically to the former coalition government, which of course sat on its hands for some 11 years as these problems continued to grow and grow. Yet it was not until it feared losing an election that water emerged on its political agenda. So I find it quite interesting and greatly ironic that the coalition is lamenting time frames of months, weeks, day and even hours.

They come in here and complain about Labor's alleged inactivity in certain time frames, when the time frames for the coalition's inactivity extend not just to years but to over a decade. Let us get this into perspective. How long has Labor been in govern-

ment? Senator Birmingham could not fit enough words into his speech to describe the actions that actually have taken place since Labor was elected—as was so eloquently articulated by our minister earlier in question time today—because we have done so much to try to catch up on the neglect of the coalition government. So it is with great pleasure that I remind the senators opposite again about the large number of activities that the Labor government has engaged in to fix the very problems that they have been guilty of neglecting for so long.

We know and they know that the Labor government has supported both short- and long-term measures to protect the lower lakes, particularly from the threat of acidification, and to return the Murray-Darling Basin to sustainable levels. It presents a particular challenge in the lower lakes region of South Australia and we are extremely conscious of the impact this is having not just on communities and the environment but on irrigators as well. In fact, in May 2008, the Murray-Darling Basin ministerial council agreed to provide \$6 million to pump water from Lake Alexandrina to Lake Albert in order to maintain the levels in Lake Albert. Also, a high-level committee is developing risk management strategies; it is due to report within a few weeks.

There is more. At the Council of Australian Governments meeting on 3 July 2008, the Commonwealth agreed to provide up to \$610 million towards water projects in South Australia, and obviously the lower lakes and Coorong areas will be major beneficiaries of this. Some \$200 million of this is to support the response to the environmental problems of the lakes, and \$120 million is for an integrated network of pipelines to service townships and communities and help them with their water supplies.

On 14 August the minister announced three sets of water initiatives to help deal with the critical situation in the Murray-Darling Basin: the comprehensive and externally reviewed audit of both public and private water storages in the basin; initiating a new basin-wide tender for water purchasing for the current financial year, and expanding the previously announced Queensland tender—and, I might add, increasing funding for this by \$50 million to \$400 million and a Commonwealth-state initiative to co-fund the purchase of properties holding large water entitlements, particularly in the northern basin.

All of these seem to be something that the coalition conveniently ignores. The time frames are extremely tight. The Labor government was elected in November of last year and yet the opposition is lamenting the fact that nothing has been done. But an extraordinary amount has been done. I have been particularly impressed with the pace of change after so many years of neglect and lip-service being paid to the area—and we have had the very important acknowledgement that the previous government only acted when there was an election in the offing. We cannot muck around with issues like this. We are facing the challenge of climate change, which is another fact of life that the coalition has chosen to ignore. All of these environmental issues are completely interrelated.

Senator Bernardi—The towns are dying and you are doing nothing.

Senator LUNDY—You cannot sit over there and yell at me and accuse Labor of not reacting to this when it has been Labor that has come to government in this country with a decisive election victory that, I think, in large part recognises that the community does care and is looking for leadership on environmental issues, whether it is protecting

our water resources or addressing the urgent problem of climate change. It has to be placed in the context of what happens if you do not act. What would happen if we had the attitude of the former government? We would all be in great difficulty if that were the case. (*Time expired*)

Senator FISHER (South Australia) (3.12 pm)—I rise to speak to the motion to take note of answers given by Minister Wong to questions relating to the Murray-Darling River System. Minister Wong promised us action based on fact. She promised us fact but we failed to see the facts. The Prime Minister and Minister Wong promised the Australian electorate evidence based policy. That means policy based on fact. Tragically, we failed to see it with water and, in particular, we failed to see it on the lower lakes and Coorong.

The facts that we see instead are tragic. We see the Prime Minister visiting Milang at the lower lakes, where he attributes low flows to climate change. He offends Australians and in particular the people of the lower lakes by attributing low flows to climate change. He then travels to the Hume Dam in New South Wales and attributes low levels there to the same thing. Those are the facts. Where is the evidence based policy?

The other fact we see is a COAG agreement that fails to deliver national management of water to the country. It is an agreement that keeps the Murray-Darling Basin Authority beholden to the states. It is an agreement that fails to put one drop of water back in. Indeed, in the case of the Melbourne to Goulburn pipeline, it means that water that was not taken out before will now be taken out. It is an agreement that, some would say, has been flushed down Victorian toilets to the cost of South Australians. It is an agreement that, at best, may deliver something in 2011, but allows some states to retain current

allocations—in the case of Victoria, until 2019. Those are part of the tragic facts about water and the water dilemma facing our nation.

We have a government that has devised a water buy-back scheme. What are some of the facts around that? The facts around it are that the scheme fails to provide farmers with the incentive to release their water and that the scheme fails to provide other farmers with certainty and security about staying in. To the contrary, the facts around the scheme show a Prime Minister and a minister who do not understand how water works and do not understand how farmers work. The fact is that we have a minister who has talked about disadvantages of a federal government suddenly entering into the water market. On what basis, on what evidence, on what facts, does the minister base that assertion? We see a minister and a government that are too timid to act to resolve this national crisis. We have a buy-back scheme that is not big enough, not fast enough and not strong enough.

In the case of the people of the Coorong and the lower lakes, we have a lack of action. We have a government that has made promises and has sought advice on options as to what to do about the dire circumstances facing the lower lakes, yet has failed to produce that advice. We have a government that has failed to take the community of the lower Coorong into its confidence in considering what the lower Coorong may face in the future. Indeed, we have a federal water minister who says that in 10 years time she wants to be able to see that the federal government has turned around the situation and to see a river system that provides water for Adelaide. On what basis, on what facts, on what evidence, has the minister made that decision? And why is the minister not talking about weaning the good city of Adelaide off the Murray and leaving the Murray for those

communities who have no choice? (*Time expired*)

Senator STERLE (Western Australia) (3.17 pm)—Mr Deputy President, there are not many things that I congratulate the opposition on, but on your election to Deputy President I do congratulate them. I know that you will serve the Senate very well. Let me say that I have sat here and listened to tripe coming from South Australian opposition senators, bearing in mind that a couple of them have only been here in the Senate in the last couple of years. For them to sit there and lecture us on this side about the situation of the Murray-Darling Basin after 11½ long years—I did not think I would have to use that line again—because, in what I think were Senator Fisher's words, we are not fast enough, not strong enough—I say, through you, Mr Deputy President, fair go, Senator Fisher! We have been in power on this side for nine months.

Through you, Mr Deputy President, we are unlike your side over there, who sat on your collective bums for 11½ years and never realised that there was a problem with water in the southern half of Australia—for 11½ years. There was not a word until, 12 months out from the possibility of a federal election, the previous Prime Minister, Mr Howard, decided that there was a problem in the Murray-Darling Basin.

Opposition senators interjecting—

Senator STERLE—Oh, give us break, Senators opposite! No wonder I pick up the paper and I read headlines at certain times about how embarrassing question time can be. By crikey, I am so glad the writers do not have to listen to the broadcasting of motions to take note of answers coming from that side. What an absolute diatribe! What absolute rubbish, to lecture us on the problem in the Murray-Darling Basin.

Through you, Mr Deputy President, I congratulate Minister Wong. Let me look at the achievements of Minister Wong in a very short period of time. I think it was in the first month that Minister Wong had negotiated the signing of Kyoto.

Opposition senators interjecting—

Senator STERLE—For 11½ years, for you lot, it did not exist. You did not want to know about climate change. You were sceptics, saying, ‘Let’s keep our heads buried under the table,’ and hoping that no-one would realise that not only did you not have a clue but you did not give a damn. Then you come in here and lecture us about what we have done in nine months.

The DEPUTY PRESIDENT—Senator Sterle, I remind you to address the chair.

Senator STERLE—I certainly will, Mr Deputy President. Let me talk about a certain reference to the committee that I chair, the Senate Standing Committee on Rural and Regional Affairs and Transport. I am joined on that committee by the good senator Senator O’Brien. There is a reference to that committee for which we have already advertised for submissions and for which we are going to be paying visits to Adelaide and Melbourne. Unlike senators opposite, we want to hear about it. We want to know what the problems are down there. We want to hear from the communities, the irrigators, the growers and all those involved in the Murray-Darling Basin. We want to hear from them. We do not need our Prime Minister, all of a sudden, 12 months out from an election, to think: ‘Oh my goodness, how can I deflect all these issues around Work Choices and the issue of the sale of Telstra? Let’s throw up the Murray-Darling Basin. Let’s recognise now that there is a problem.’

To those good people who rely on the Murray-Darling and all the tributaries and the rivers down there, whether they be

through their communities or farming or whatever—

Senator Bernardi interjecting—

Senator STERLE—Mr Deputy President, Senator Bernardi just opened his mouth and said that I have never been there. Through you, Mr Deputy President, I beg to differ, Senator Bernardi. When I was a truck driver in my previous life—

Senator Bernardi interjecting—

Senator STERLE—Oh, you doubt me! Through you, Mr Deputy President, do you doubt that I have been down there, Senator Bernardi?

The DEPUTY PRESIDENT—Order! There are far too many interjections. Senator Sterle should be heard in silence. Senator Sterle.

Senator STERLE—I do not mind taking interjections when senators opposite are talking rubbish. I have been down there and I will be down there again, Senator Bernardi. I might not have my blue singlet on, driving my truck, but I am dying to hear from the people who rely on the lower lakes and the Coorong. And we supported that reference. I will be on that committee, I will be down there listening and I will be taking back to the minister everything that I hear down there because it is a major issue. Minister Wong should be congratulated because she is doing something about it. Minister Wong was talking about this in opposition. Minister Wong did not wait 12 months out from the election to say all of a sudden, ‘Uh-oh! We stink because of what we have done with Work Choices; we had better start talking about other things like climate change and drought.’

There was a statement earlier from Senator Fisher about Minister Wong mentioning, because there is not a lot of water down there, drought and climate

change. Senator Fisher queried that. I ask you, Senator Fisher—and I said to Senator Bernardi—did the Chinese pull the plug out? Is that what happened? Or on the other side of the earth did they let the plug out so the water has just run away? How ridiculous! Of course it is climate change. We know it is climate change. We are going through one of the greatest droughts ever. But we will not be talking about it; we will do something about this and it will be led by one of the best water ministers that this country has seen for a long, long time. In fact I take that back; the best water minister. She is actually going to do something. She is not going to sit back there and talk about it. (*Time expired*)

Senator BERNARDI (South Australia) (3.23 pm)—It is amazing to sit here and listen to the pious rhetoric that is coming from the government benches. It is absolutely disgraceful—they send in here to debate a taking note of answers motion about water someone from the ACT and someone from Western Australia. They could not get people who are further away from the crisis that is confronting the good people of South Australia and the lower lakes than the two we have heard from. At the very least, Senator Wortley has had the decency to come down here and express some solidarity for the South Australian senators on this side of the chamber who are concerned about the dire straits that South Australians and those in the lower lakes are finding themselves exposed to. And all the time we are raising these concerns, all the time we are putting forward alternatives and vision and initiatives to help ease the burden on the South Australian lower lakes communities, this government does nothing. We now see how seriously they take this critical issue.

Just last Friday, Minister Wong put together the seven people for the National Water Commission. How many South Australians do you think were on there? Seven? No.

Were there five? No, there were not. Were there three? Were there two? Was there even one? Not one single South Australian made it on to the National Water Commission board. It is a sad indictment. Senator Wortley, I know you feel the shame of the government. You feel it because Minister Wong has once again given up on South Australia. She has said that there is nothing she can do. And she has proved it.

What about the debate today. I came to it just a bit earlier. How important is this to the South Australian senators? We have a whole batch of new ones over there. Do you think they could make some sort of contribution? Do you think they could bring a new fresh perspective? No. They have gone missing in action. They have not even bothered to turn up. They are not prepared to stand up for their state even though they were just elected to represent their state's interests. So, what do we have? We have a critical environmental issue with local wildlife, graziers, vigneron and whole communities dependent on these lower lakes. And what is going on? Absolutely nothing.

Labor have no sense of urgency about this—although they do say there is an urgent requirement for reports. Senator Wong as the minister requested urgent information. Over the last couple of months we have asked her to provide that information. Do you think we have seen it? No. Unfortunately, it was so urgent that it has not been able to be tabled yet. But it does not even matter if she has got the information, because she is doing absolutely nothing with it. This is a government of, 'Do nothing.' And, sure, you should hang your head in shame, Senator Sterle, because you know it yourself. Even though you are not responsible because you are on the back bench, you should be ashamed of your front-bench colleagues because they are letting the people of Australia down. I know that you might have some empathy for some people

in rural communities because you have driven your truck through the lower lakes. I would love to know which towns you have got to. But the fact is, not many people on the government side have actually been down there to do anything. Sure, we have had the Prime Minister go down there and mouth a few empathetic words and then wash his hands of it and say, 'It's a 50-year program on climate change,' and utter all sorts of stuff. We have had Minister Wong mouth all sorts of sympathetic words and then fail to turn up at community rallies. She has failed to turn up and observe first-hand the pain that the people in these communities are going through.

We have seen a failure from this government. I would say to the people of Mayo and to the people of Barker who are suffering under the inaction of this government: 'Don't give up, because the coalition are going to be introducing legislation to ease your burden.' We will challenge the government to finally put up and help those people of the lower lakes. And they have a chance this week to send a very clear message to Mr Rudd and his band of snake oil salesmen. A snake oil salesman is any person who peddles a product with exaggerated marketing but of questionable or unverifiable quality, and that is exactly what we have got from this government. A bunch of snake oil salesmen selling snake oil, selling hopes and failing at every turn. (*Time expired*)

Question agreed to.

NOTICES

Presentation

Senator Bob Brown to move on 3 September 2008:

That the Senate—

- (a) notes the finding by the United Nations and Afghanistan Government that the military of the United States of America (US) killed at least 90 civilians, including

60 children, in the Afghan village of Nawabad on 21 August and 22 August 2008;

- (b) regrets the deaths of these innocent civilians; and
- (c) calls on the Minister for Foreign Affairs (Mr Smith) to urge the US to acknowledge the civilian death toll of its military operation in Nawabad and to support the Afghanistan Government's call for a full-scale review of US and the North Atlantic Treaty Organization military operations in the wake of the country's mounting civilian death toll.

Senator Faulkner to move on the next day of sitting:

That the Senate—

- (a) notes that on Wednesday, 27 August 2008 as part of Privacy Awareness Week 2008, the inaugural Australian Privacy Awards and the Australian Privacy Medal were awarded; and
- (b) congratulates:
 - (i) Justice Michael Kirby as the first recipient of the Australian Privacy Medal, for his work over more than two decades on privacy laws and principles not only in Australia but, through his work with the Organisation for Economic Cooperation and Development, on the development of the privacy principles that underpin privacy laws throughout the developed world,
 - (ii) Medicare Australia for winning the Grand Award for its dedicated implementation of privacy practices throughout the organisation, as well as its commitment to privacy training,
 - (iii) the other category winners, including Telstra Corporation (Large Business Award), Australian Dental Association NSW Branch (Community & NGO Award), Child Support Agency (Symantec Government Award), and Data Solutions Australia (Microsoft Small-Medium Business Award), and

- (iv) the Privacy Commissioner, Karen Curtis, and the Office of the Privacy Commissioner, for their work initiating these awards, the first of their kind in the world.

Senator Moore to move on 15 September 2008:

That the following matter be referred to the Community Affairs Committee for inquiry and report by the last sitting day in March 2009:

Progress with the implementation of the recommendations in the reports by the Community Affairs References Committee, *Lost Innocents: Righting the Record*, a report on child migration tabled in August 2001, and *Forgotten Australians*, a report on Australians who experienced institutional or out-of-home care as children tabled in August 2004.

Senator Troeth to move on the next day of sitting:

That the Independent Reviewer of Terrorism Laws Bill 2008 [No. 2] be referred to the Legal and Constitutional Affairs Committee for inquiry and report by 17 September 2008.

Senator Hanson-Young to move on 4 September 2008:

That the Senate—

- (a) notes it has been more than 60 years since the conclusion of World War II, and the Japanese comfort women have yet to receive an apology or any official acknowledgment of the grave human rights abuses that were suffered at the hands of the Japanese military; and
- (b) calls on the Australian Government to urge the Japanese Government to:
- (i) accept responsibility for the unequivocal sexual exploitation and enslavement suffered by more than 200 000 women during World War II,
 - (ii) provide fair compensation to these victims, and
 - (iii) accurately teach the history of comfort women in schools.

Senator WORTLEY (South Australia) (3.29 pm)—Following the receipt of satisfactory responses on behalf of the Standing Committee on Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw business of the Senate notice of motion No. 2 standing in my name for six sitting days after today for the disallowance of the Migration Amendment Regulations 2007 No. 14 and business of the Senate notice of motion No. 1 standing in my name for eight sitting days after today for the disallowance of the Torres Strait Regional Authority Section 142S Declaration 2008. I seek leave to incorporate in *Hansard* the committee's correspondence regarding these instruments.

Leave granted.

The document read as follows—

Migration Amendment Regulations 2007 (No. 14), Select Legislative Instrument 2007 No. 356

13 March 2008

Senator the Hon Chris Evans

Minister for Immigration and Citizenship

Suite MG.68, Parliament House

CANBERRA ACT 2600

Dear Minister

The Committee's function is to examine all legislative instruments subject to disallowance or disapproval by the Senate to ensure that they comply with broad principles of personal rights and parliamentary propriety.

The Committee has considered the following Regulations made under the *Migration Act 1958* and identified the matters that may not comply with those principles.

Migration Amendment Regulations 2007 (No. 12), Select Legislative Instrument 2007 No. 314

This instrument introduces into the principal Regulations a requirement for applicants for certain visas to sign a statement that they will respect Australian values and will comply with Australian law for the duration of their stay.

The Committee notes that item [316] of the instrument inserts new provisions that require the Minister to approve, by instrument in writing, one or more values statements for this purpose. The Committee would appreciate your advice as to whether such a written instrument will be a disallowable instrument and be subject to Parliamentary scrutiny.

Migration Amendment Regulations 2007 (No. 14), Select Legislative Instrument 2007 No. 356

This instrument makes various amendments to certain visas and visa subclasses in the principal Regulations.

The amendments made by Schedule 1 to this instrument commence retrospectively. They reintroduce the power of the Minister to grant refunds of certain visa application charges. The Committee notes that the amendments are intended to correct an error introduced by a previous set of amendments, and are of beneficial effect. The Committee would, however, appreciate your advice about the mechanisms by which applicants who became entitled to a refund during the period of retrospective operation will be made aware of their right to request a refund.

The Committee would appreciate your advice on the above matter as soon as possible, but before 28 April 2008, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley

Chair

9 May 2008

Senator Dana Wortley

Chair

Senate Standing Committee on Regulations and Ordinances

Room SG49, Parliament House

CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 13 March 2008 concerning the *Migration Amendment Regulations*

2007 (No. 12) and the *Migration Amendment Regulations 2007 (No. 14)*. I respond as follows to the matters raised by the Committee.

Migration Amendment Regulations 2007 (No. 12), Select Legislative Instrument 2007 No. 314 - Values Statements

The written instrument referred to in item [316] of the *Migration Amendment Regulations 2007 (No. 12)*, No. 314, is not subject to disallowance because it is made under Schedule 4 to the *Migration Regulations 1994*, which is exempted from disallowance by Item 26 of section 44(2) of the *Legislative Instruments Act 2003*. This was also the case prior to the commencement of the *Legislative Instruments Act 2003*. There is no current intention to make such an instrument disallowable.

Migration Amendment Regulations 2007 (No. 14), Select Legislative Instrument 2007 No. 356

The amendments made by Schedule 1 to the *Migration Amendment Regulations 2007 (No. 14)*, No. 356, were intended to rectify an unintended consequence of the *Migration Amendment Regulations (No. 9) 2007*, which restricted the Minister's refund power where applicants apply for visas by mistake. The latest amendments, which were made on 17 October 2007, restore this power retrospectively to 10 September 2007 and are of beneficial effect. The changes were registered on the Federal Register of Legislative Instruments and were published on my Department's website at

http://www.immi.gov.au/legislation/amendments/2007/071_017/Ic17102007.htm, which would be available to persons potentially seeking a refund. As the period of retrospectivity was brief, being just over one month, this method of notification was considered sufficient.

I hope the above information is helpful to the Committee. Thank you for bringing these matters to my attention.

Yours sincerely

Chris Evans

Minister for Immigration and Citizenship

19 June 2008

Senator the Hon Chris Evans
Minister for Immigration and Citizenship
Suite MG.68, Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of concerning the Migration Amendment Regulations 2007 (No 14), Select Legislative Instrument 2007 No 356. These Regulations retrospectively rectified an unintended restriction on your powers to order a refund where applicants apply for a visa by mistake.

In your letter you note that the changes were notified on the Department's website, and that this should alert persons to the potential for a refund during the period of retrospective operation. The Committee seeks your further advice as to the number of people potentially able to seek a refund in these circumstances, and whether any other means are available to alert them to this right. In order to preserve its interest in this instrument, and to provide time for consideration of any further advice, the Committee gave notice of intention to disallow this instrument on 18 June 2008.

The Committee would appreciate your advice on the above matter as soon as possible, but before 18 August 2008, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

12 August 2008

Senator Dana Wortley
Chair Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 19 June 2008 concerning the Committee's notice of intention to

disallow Migration Amendment Regulations 2007 (No 14), Select Legislative Instrument 2007 No 356 ('the retrospective amendments'), which retrospectively rectified an unintended restriction on my powers to order a refund where applicants apply for a visa by mistake.

The Committee now seeks my further advice as to the number of people potentially able to seek a refund in these circumstances, and whether any other means, apart from notification on the Department's website, are available to alert them of this right.

I am unable to advise the Committee as to the number of people potentially able to seek a refund in circumstances where visas have been applied for by mistake and the application is withdrawn. The Committee will understand that this is entirely dependent upon the circumstances of particular applicants, their reasons for applying for visas, and whether or not they have proceeded to withdraw the application. It is impossible to predict when these circumstances are likely to occur or in respect of how many applicants. However, the effect of the retrospective amendments is that if any applicant at any time has sought to withdraw an application by reason of mistake, the discretion to give a refund would be available.

The retrospective amendments also gave effect to the original intention of the Migration Amendment Regulations 2007 (No. 9), Select Legislative Instrument 2007 No 273 ('the first amendments') by inserting a new subregulation 2.12F(3A) under which the Minister may refund the visa application charge paid in respect of an application for a Temporary Business Entry (Class UC), Subclass 457 visa which could no longer be granted because of changes to the list of eligible occupation in a Legislative Instrument.

Subclass 457 visa applicants who could not satisfy the visa application criteria due to a change in eligible occupations were notified by my Department through their sponsors that a refund of the visa application charge could be given in these circumstances.

The Department wrote to Subclass 457 sponsors in September 2007, November 2007 and most recently in May 2008. In the most recent correspondence, sponsors were advised to inform their

visa applicants of their option to withdraw their visa application and seek a refund in writing.

I have noted that the Committee gave notice of intention to disallow this instrument on 18 June 2008, in order to preserve its interest. I trust that the above information will reassure the Committee that the effect of those retrospective amendments is to allow the refund of visa application charges to the intended recipients; that a refund can now be made in respect of withdrawal of an application at any relevant time; and that every effort has been made to inform and respond appropriately to any applicants adversely affected by the first amendments.

Thank you for bringing this matter to my attention.

Yours sincerely

Chris Evans

Minister for Immigration and Citizenship

Torres Strait Regional Authority Section 142S Declaration 2008

13 March 2008

The Hon Jenny Macklin MP

Minister for Families, Housing, Community Services and Indigenous Affairs

Suite MG.51

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to the Torres Strait Regional Section 142S Declaration 2008 made under subsection 142S(1) of the *Aboriginal and Torres Strait Islander Act 2005*. This instrument specifies the membership of the Torres Strait Regional Authority. The Committee's examination of this instrument has raised the following matters.

Sub-rule 7(6) states that 'this section displaces section 142Y of the Act'. It is not clear what the authority for this 'displacement' is. Paragraph 142S(2)(c) of the Act provides that the Minister may issue a notice that provides for the method and timing of election of certain types of TSRA members. That appears to be the purpose of rule 7 in this Determination. However neither section 142S nor section 142Y of the Act makes specific

reference to 'displacing' section 142Y. It is also not clear what the word 'displaces' means in this context.

I understand that the relevant elections have taken place or are imminent. Could you advise whether uncertainty over the effect of subrule 7(6) is likely to have any effect on these elections?

There also appears to be a cross-referencing error in sub-rule 7(1) of this instrument, where the reference to paragraphs 4(1)(c), (d) and (e) should be 'paragraphs 6(1)(c), (d) and (e)'.
Finally, there are some minor typographical errors in this instrument. In the provision dealing with commencement, the word "commence" should be "commences"; in sub-rule 7(2) "as soon a" should read "as soon as".

The Committee would appreciate your advice on the above matters as soon as possible, but before 28 April 2008, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Senator Dana Wortley
Chair

28 April 2008

Senator Dana Wortley

Chair

28 April 2008

Senator Dana Wortley

Chair

Senate Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 13 March 2008 about the Torres Strait Regional 1425 Declaration 2008. I apologise for the delay in this response.

I note your advice on the technical errors in the Declaration, and these will be corrected as soon as possible after the disallowance period has expired.

As regards the concern about the displacement of section 142Y of the *Aboriginal and Torres Strait Islander Act 2005* (the ATSI Act), my Department

had sought advice from the Australian Government Solicitor (AGS) on this point prior to drafting. The AGS advice was that the provisions of subsection 142S(2)(c) of the ATSI Act relating to the method and timing of elections were sufficient to justify displacing (as opposed to totally repealing) the section.

I understand that it is unlikely to become an issue in the context of the 2008 elections for the Torres Strait Regional Authority. However, as some doubt has been raised, I will ask my Department to review the relevant provisions with a view to amendments in time for subsequent elections if that is considered appropriate.

Thank you for drawing these matters to my attention.

Yours sincerely

JENNY MACKLIN MP

Minister for Families, Housing, Community and Indigenous Affairs

15 May 2008

The Hon Jenny Macklin MP

Minister for Families, Housing, Community Services and Indigenous Affairs

Suite MG.51

Parliament House

CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 28 April 2008 responding to the Committee's concerns with the Torres Strait Regional Section 142S Declaration 2008 made under subsection 142S(1) of the *Aboriginal and Torres Strait Islander Act 2005*.

In your response you advise that advice was sought from the Australian Government Solicitor (AGS) about the displacement of section 142Y. AGS advised that the provisions of subsection 142S(2)(c) of the Act relating to the method and timing of elections were sufficient to justify displacing (as opposed to totally repealing) the section. The Committee has noted this advice but is still uncertain as to what the authority for the 'displacement' is. Accordingly, the Committee would appreciate receiving a copy of the AGS advice to enable it to further consider this matter.

The Committee would appreciate receiving this advice as soon as possible, but before 13 June 2008, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley

Chair

13 June 2008

Senator Dana Wortley

Chair Senate Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 15 May 2008 about the declaration under Section 142S of the *Aboriginal and Torres Strait Islander Act 2005* (the ATSI Act) in relation to the Torres Strait Regional Authority (TSRA) elections.

I am setting out below a detailed history of the TSRA Rules that govern the composition of the TSRA and the method and timing of election of members. I hope this will assist the Committee in understanding the way in which these provisions have been applied.

Under s142S of the ATSI Act the Minister determines the manner of representation of the TSRA, which is then set out in the TSRA Rules. Membership has been largely derived from local government institutions under Queensland legislation. The TSRA elections have been used only for particular areas in the region, namely the administrative centre of Thursday Island and its neighbouring islands.

Prior to December 2007, 17 members of the TSRA were elected under the Queensland *Community Services (Torres Strait) Act 1984* (CSA), which was repealed and replaced with new provisions in the more generally applicable *Local Government Act 1993* (LGA) as part of wider local government reform in Queensland. These provisions came into effect in late 2007. Under the

CSA, fifteen Torres Strait Island and two of the northern-most Cape York Peninsula communities elected island councils, the chairs of which automatically became members of the TSRA. Two TSRA members were directly elected and another took office as the representative of Thursday Island's TRAWQ communities. Under the new system, the island councils have been abolished, and their place taken by the Torres Strait Islands Regional Council and the Northern Peninsula Area Regional Council. Each community elects a councillor who automatically becomes a member of the TSRA. Three members, rather than the previous two, are now directly elected under provisions of the ATSI Act.

Because of the changes in Queensland legislation, changes were needed to the TSRA Rules including the replacement of references to the CSA with the LGA and to describe the new membership arrangements.

There was however no change of substance to the Rules in terms of the timing of elections which is the issue you have indicated is concerning the Committee. The former TSRA Rules were determined on 25 February 2003 under the *Aboriginal and Torres Strait Islander Act Commission Act 1989* (the ATSI Act), which has since been repealed and replaced by the ATSI Act. The 2003 Rules provided at subrule 5(2) that a "Torres Strait Regional Authority election must be held as soon as practicable after a quadrennial election for an Island Council is held under the Queensland Act". This is almost identical to the current subrule 7(2), with the only change being a reference to the new Queensland *Local Government Act*. It departs from the ATSI Act which envisages three yearly elections, but reflects electoral practice in Queensland since 2004.

Two elections, namely the one on 3 April 2004 and the recent one on 17 May 2008, have been held in accordance with rules made in reliance on our advice that an amendment to the Rules was an appropriate way to deal with the administrative need to have the TSRA elections held concurrently with, or as close as possible to, Queensland local government elections. The polls for the election held on 17 May 2008 under the current Rules have in the meantime also been declared

and the TSRA held its first meeting to elect office holders on 5 June 2008.

I note that the Committee has some reservations about this approach, and I also think that it may be preferable to deal with the issue of election timing through an amendment to the ATSI Act rather than through the subordinate legislation. As I noted in my previous letter, my Department will be conducting a full and comprehensive review of the provisions of the ATSI Act and any issues raised by the Committee will be addressed in the context of this review.

The TSRA elections are conducted by the Australian Electoral Commissioner. A person with standing may make an application to the Court of Disputed Returns if he or she considers that an irregularity has occurred. As we are not aware of any appeal to the Court and the polls have been declared, disallowance of the instrument would cause considerable disruption to the functioning and governance of the TSRA at this stage.

I trust that this further information will assist the Committee in finalising its consideration of this instrument.

Yours sincerely

JENNY MACKLIN MP

Minister for Families, Housing, Community Services and Indigenous Affairs

19 June 2008

The Hon Jenny Macklin MP

Minister for Families, Housing, Community Services and Indigenous Affairs

Suite MG.51, Parliament House

CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 13 June 2008 in relation to the Torres Strait Regional Section 142S Declaration 2008 made under subsection 142S(1) of the *Aboriginal and Torres Strait Islander Act 2005*. This instrument specifies the membership of the Torres Strait Regional Authority.

In your letter, you detail the history of the TSRA Rules and the effect of changes in relevant Queensland legislation. This addresses some of the Committee's concerns. However, the Commit-

tee seeks your advice specifically on sub-rule 7(6) which states that 'this section displaces section 142Y of the Act'. It is unusual for delegated legislation to affect the content of primary legislation and the Committee seeks your advice on the legislative authority for this 'displacement', particularly as neither section 142S nor section 142Y of the Act makes specific reference to a power to 'displace' section 142Y.

It is also not clear what the word 'displaces' means in this context (ie, does it completely negate the provision; does it mitigate its effect only to the extent of any inconsistency, or does it have some other meaning?).

Finally, the Committee would appreciate receiving a copy of any legal advice that the Department has obtained on these issues.

The Committee would appreciate your advice on the above matters as soon as possible, but before 23 June 2008, to enable it to finalise its consideration of this instrument. Given this very short timeframe, in order to enable it to maintain its interest in the instrument, and to provide adequate time for the preparation and consideration of any further advice, the Committee will give notice of intention to disallow the Declaration on 23 June 2008 unless a response can be provided by that date. Correspondence should be directed to the Chair, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Senator Dana Wortley
Chair

12 August 2008

Senator Dana Wortley
Chair

Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Wortley

Thank you for your letter of 19 June 2008 about the Torres Strait Regional Authority Section 1425

Declaration 2008. I apologise for the delay in replying.

Your letter concerns sub-rule 7(6) of the Declaration which reads "this section displaces section 142Y of the Act". Specifically your letter expresses concern that it is unusual for delegated legislation to affect the content of primary legislation. You have asked for advice on the legislative authority for this 'displacement' including a copy of legal advice obtained by my Department, as well as clarification of what 'displacement' means in this context.

I am advised that sub-rule 7(6) of the Declaration by itself does not affect the content of section 142Y of the Act. Rather, sub-rule 7(6) reflects the legal position that section 142Y has no application where a notice that provides for the timing of the election of members of the Torres Strait Regional Authority (TSRA) has been made under section 142S.

The relevant provisions of the Act are sections 142R, 142S and 142Y.

Section 142R provides for the constitution of the TSRA. Subsection 142R(1) provides that 'subject to any notice in force under section 142S' the TSRA consists of the eligible number of members elected in accordance with Division 5 of this Part.

Section 142S provides generally that the Minister may determine the manner of representation of the TSRA. Subsection 142(1) provides the Minister may, by notice in the *Gazette*, declare that he or she is satisfied that the TSRA would best be able to represent the Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area if it consisted of, or included, persons elected to represent particular communities in that area under the Queensland Act. You will recall that in my letter of 12 June 2008 I outlined the history and practice in relation to TSRA membership.

Subsection 142S(2) provides that a notice under section 142S must also set out details of how the TSRA is to be constituted and may make provision for the method and timing of election of members of the TSRA under the Act.

Subsection 142S(4) provides that a notice under section 142R has effect according to its terms.

Section 142Y of Division 5 of Part 3A of the Act provides for the timing of TSRA elections.

Accordingly, the effect of sub-rule 7(6) is to clarify that because rule 7 of the Declaration makes provision for the timing of election of members of the TSRA which is expressly permitted by paragraph 142S(2)(c) and subsection 142S(4), then section 142Y has no application in relation to the election of those members.

While sub-rule 7(6) uses the word 'displace' it would perhaps be more accurate to say that section 142Y has no application as a result of paragraph 142S(2)(c) and subsection 142S(4) of the Act, which expressly permit an instrument of the same kind as the Declaration.

I have attached copies of legal advice on these issues provided by the Australian Government Solicitor in September 2002 and more recently in June 2008.

I hope the Committee finds the advice of assistance in its further consideration of the Declaration, and I would ask that the Committee treat the text as confidential to protect legal professional privilege.

Yours sincerely

JENNY MACKLIN MP

Minister for Families, Housing, Community Services and Indigenous Affairs

LEAVE OF ABSENCE

Senator O'BRIEN (Tasmania) (3.30 pm)—by leave—I move:

That leave of absence be granted to Senator Polley today, 1 September 2008, on account of ill health.

Question agreed to.

COMMITTEES

Public Accounts and Audit Committee

Meeting

Senator O'BRIEN (Tasmania) (3.30 pm)—At the request of Senator Feeney, I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold public meetings during the sittings of the Senate, from 11 am to 2 pm, to review reports of the Auditor-General, as follows:

Wednesday, 17 September 2008

Wednesday, 24 September 2008

Wednesday, 12 November 2008.

Question agreed to.

AGE PENSION

Senator SIEWERT (Western Australia) (3.31 pm)—I seek leave to amend general business notice of motion No. 162 standing in my name.

Leave granted.

Senator SIEWERT—I move the motion as amended:

That the Senate—

- (a) notes the urgent and warranted pleas of National Seniors Australia and pensioners around Australia about the dire economic circumstances facing many older Australians; and
- (b) calls on the Treasurer (Mr Swan) to raise, as a priority measure, the single aged pension to reflect that the cost of living for pensioners is in excess of the consumer price index and that pensioners deserve immediate relief.

Question agreed to.

LEAVE OF ABSENCE

Senator PARRY (Tasmania) (3.31 pm)—by leave—I move:

That leave of absence be granted to the following senators:

- (a) Senator Eggleston from 1 September to 4 September 2008;
- (b) Senator Cormann for 3 September and 4 September 2008; and
- (c) Senator Birmingham from 2 September to 4 September 2008.

Question agreed to.

MURRAY-DARLING RIVER SYSTEM

Return to Order

Senator WONG (South Australia—Minister for Climate Change and Water) (3.33 pm)—by leave—In question time in

response to a question from Senator Birmingham I indicated I would make a statement subsequently today. I had intended to do so at the time for ministerial statements on the order of business but that would make that subsequent to the MPI, which creates timetabling issues, so I thought it might be useful to do so now.

Last week the government opposed a motion for a Senate order for me to produce departmental documents relating to management options for the lower lakes. The government did so on the basis of extensive precedents including those set by the previous government where advice to government of a similar nature—that is, for the purposes of government's deliberative processes—had not been provided on the order of the Senate. Those opposite cannot possibly take issue with that. The Senate will recall many similar instances from those in the previous government, such as Senator Hill, who declined on 24 September 2001 to provide documents on the basis that:

The documents are in the nature of, or relating to, opinion, advice or recommendation obtained, prepared or recorded in the course of, or for the purposes of, the deliberative processes involved in the functions of the government ...

In addition, I will draw on advice to the Senate from Senator Ian Campbell, who, on 28 June 2001, said:

Disclosure of such documents would discourage the proper provision of advice to ministers. Were the government to disclose such information, it may prejudice the future supply of information from third parties to the Commonwealth.

On this basis the government remains opposed to the order and I do not propose to make available departmental advice through Senate order. However, senators would be aware that I have provided a great deal of information to the public about the various serious situations in the lower lakes and the Coorong. This is because the government

believes it is in the public interest for people to understand how serious the situation is. It is in the public interest for people to understand how the situation has developed so that we can have the best hope of dealing with it and avoiding these dire situations elsewhere in Australia. It is in the public interest for people to know what can be done about the situation so that we can have an informed debate, understanding what our decisions mean for Adelaide's drinking water supply, for our irrigators, who provide much of the nation's food and fibre, and for our precious environment.

I am grateful for the keen interest of the Senate in these issues and I also welcome the opposition to this important discussion, although their interest seems to have coincided with the current Mayo by-election. Our task is now to move forward, but we will need to understand history in order to move forward and avoid repeating the mistakes of the past. Through the Senate inquiry process the government will facilitate informed discussion by providing information on the situation in the lower lakes and the Coorong and the ways in which we can move forward. The Senate can be assured that it will have available to it the information it requires to have proper consideration of the future of the lower lakes and the Coorong.

I can advise the Senate that I will be providing a submission to the Senate inquiry later today on the current situation facing the lower lakes and the Coorong. This submission outlines the options as at June and takes into account developments that have occurred in recent months. Given the strong public interest in the situation facing the lower lakes and the Coorong, I would expect the Senate inquiry to make the information I am providing today available to the public. Thank you.

Senator BIRMINGHAM (South Australia) (3.37 pm)—by leave—I move:

That the Senate take note of the statement.

Whilst I welcome the commitment, so far as it goes, from the minister to make information available to the Senate inquiry, it is extremely regrettable that the minister has chosen to reject the very clear and unambiguous order made by this Senate for her to produce the urgent advice that she referred to on 18 June this year. South Australians in particular have grave concerns about the very short-term and immediate future of the Murray-Darling Basin, and those concerns are based on the fact that very immediate action is required. The minister came in here today and indicated that she would give some information to the committee which was established last week and the establishment of which she did everything possible to oppose, going so far as to try to put her alternative terms of reference on the table.

Senator Wong—That is not true and you know it. You should withdraw that.

The DEPUTY PRESIDENT—Order! Senator Birmingham, resume your seat. Senator Wong, you were heard in silence. I suggest that the same courtesies be extended to Senator Birmingham.

Senator Wong—He should tell the truth, Mr Deputy President.

Senator BIRMINGHAM—Senator Wong says I should tell the truth. The truth is that Senator Wong did her best to frustrate the process of the Senate inquiry that was being proposed last week. The truth is that Senator Wong put up her own alternative terms of reference rather than attempting to cooperate with the Greens, Senator Xenophon and the coalition senators and then, when she could not manage to get the support for her terms of reference, withdrew her motion, leaving standing the work that Senator Xenophon, Senator Hanson-Young and

others had done. So South Australians have every reason to be concerned and, when Senator Wong says that she sought urgent advice, to question whether or not that urgent advice really exists, whether or not it was provided in a timely manner and whether, if it does exist, all of the options have been considered. These are the issues that I have no doubt the Senate inquiry will look into, but we do have good reason to be concerned that Senator Wong is not taking the people of South Australia and the people of Australia into her confidence.

Last week she announced seven new water commissioners for the National Water Commission, not one of them a South Australian. That does not fill South Australians with lots of confidence. Today she comes in, some days after a Senate return to order motion required and asked her to present her urgent advice, and tells us that, no, she is not presenting it in the manner that the Senate wanted or asked for—that, in fact, she is going to go about an alternative route and take it through the committee process. There is no commitment as to what this urgent advice clearly is or that it will be presented in the manner to which she referred earlier—little wonder that South Australians are very concerned that the government does not seem to get the urgency of this issue. My challenge to Senator Wong today is to reconsider the statement that she made and the release of this urgent advice or, if it does not exist in the manner to which she referred in June, to fess up to the fact that it does not exist, to tell us what advice she has got and to make sure that she releases it as soon as possible.

I welcome the submission this afternoon. I look forward to it being made publicly available. I hope that it goes as far as the minister seems to suggest it does, that it clarifies the concerns that I have put on the record today and that, in fact, we will all be amazed to see that this urgent advice has been released

there. But I do question why the minister has failed to present it in the manner that the Senate requested last week.

Senator WONG (South Australia—Minister for Climate Change and Water) (3.41 pm)—In responding to Senator Birmingham's comments, there are a number of issues that I want to place on the record, because there were some, perhaps, errors in what he put to the Senate. The first, to be very clear, is that the government did support an inquiry into the Murray-Darling Basin. We put up terms of reference which in large part were adopted by the opposition and the crossbenches and which included important issues like ensuring that we took consideration of Adelaide's water supply. I would have thought that Senator Birmingham would have welcomed the fact that, in the context of a discussion about the Murray-Darling Basin, we will ensure that Adelaide has sufficient drinking water.

The second is that Senator Birmingham made some comments about the confidence of South Australians. I say to Senator Birmingham through you, Mr Deputy President, that he comes from a party whose frontbenchers have criticised water purchase, which he advocates, and a frontbencher from which has called for the lower lakes to be flooded with seawater, which he opposes. So, if Senator Birmingham is going to come in here and lecture the government and the Senate on taking people into confidence, perhaps he should take South Australians into his confidence and tell them which of the varying positions on the Murray-Darling Basin is actually the opposition's position, because the reality is that Senator Birmingham and his colleagues from South Australia are saying one thing now, in the week leading up to the Mayo by-election, whilst their frontbenchers and colleagues upstream say something different. Until the coalition deal with the issue of how to balance different

users in a good policy way, they will never deal with the political schism and division that exists on their side between members of the National Party and members of the Liberal Party who occupy safe seats upstream. That is the reality.

Finally, it appears—I am not sure from his contribution—that Senator Birmingham failed to recognise two points that I made in my statement. The first is that the precedents on which we rely were put forward by his party. The second is that we are holding ourselves, particularly in the context of this motion, to a higher standard than was ever shown by the Howard government. If he had listened to my statement, he would know that what I said to the Senate as the responsible minister was that the submission would outline the options as at June and take into account developments which have occurred in recent months. So I have made it clear that, consistent with precedent from the previous government, we will not be tabling the advice but, because I do believe that this is an issue that deserves public scrutiny, I have made it clear what the submission will canvass. That, Senator Birmingham, is a far higher standard than any of the ministers in your government to whom I have referred held themselves to when refusing an order for production.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Health Services and Road Infrastructure

The DEPUTY PRESIDENT—The President has received a letter from Senator Nash proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The failure of the Rudd Labor Government to ensure the adequate provision of health services and road infrastructure for regional communities.

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 NASH (New South Wales) (3.45 pm)—I rise today to address the very important matter of public importance—the failure of the Rudd Labor government to ensure the adequate provision of health services and road infrastructure for regional communities. More than seven million Australians live outside our capital cities and major metropolitan areas, and they are suffering at the hands of a dithering Rudd Labor government. They are suffering because of the continuing failure of health services in regional communities and they are suffering because of a lack of decent road infrastructure. That same Labor Party talked very tough when they were in opposition about getting things done on a whole range of issues if they formed government. They talked about it constantly during the campaign running up to the election. They talked about working together with the state Labor governments. Over and over, we continually heard about how well they, federal Labor, would be working with the state Labor governments. But what have we seen to date? Nada—absolutely nothing.

I am indebted to my colleague Senator Ronaldson for his very insightful media release of last week entitled 'Kevin 07 and Kevin 08—a tale of two Rudds'. Australians heard Kevin Rudd say in the lead-up to last year's federal election that he would 'end the blame game', that he would deliver 'fresh ideas' and that—everyone would remember this one—'The buck stops with me.' In the

nine months before the election Mr Rudd said he would 'end the blame game' 146 times. But, surprisingly, since the election, what have we heard? We have heard him use that phrase a mere 36 times. When he said he would end the blame game, he was talking about being able to work with state Labor governments. He has used that phrase only 36 times since the election. 'Fresh ideas' he said 87 times leading up to the election. Guess what: he has used that phrase only seven times since the election. I am sure my colleagues will support me in saying that the phrase 'the buck stops with me' was heard 31 times before the election. How many times has the Prime Minister used that phrase since? Just once. The Prime Minister that we now have said in the run-up to the election, 'The buck stops with me,' and that he would be taking responsibility for things like hospitals and roads in the bush, but we have seen absolutely nothing.

Senator Sterle—He's busy implementing his new ideas.

Senator NASH—How many times has the Prime Minister said that he can work with the state Labor governments? It has been over and over and over again. We are still waiting. When is the work going to begin?

We are watching Mr Rudd, and the federal Labor government is apparently watching pretty much everything. We have Fuelwatch, watching petrol prices; 'grocery watch', looking at household items—and we know what a disaster that has been—'school watch', which was in last week's education funding announcement; 'sports watch', which was in last week's sporting structure reform announcement; 'Asia watch', the Asia-Pacific union announcement earlier this year; 'nuke watch', keeping an eye on the nuclear disarmament group; and, of course, 'state watch' or COAG. These are good ex-

amples of Labor being all talk and no action. What are the Prime Minister and his government actually doing to ensure the adequate provision of health services and road infrastructure for regional communities? Absolutely nothing. After all those promises we heard running up to the election, we have nothing. Maybe we will end up with 'bush watch'.

Speaking of watches, I think if the Prime Minister were a watch he would be a fake Rolex—lacking in detail, lacking in quality and lacking in craftsmanship. It is a cheap substitute for the real thing. From a distance, it does look like the real thing, but it is not.

In my state of New South Wales we are witnessing a health system in crisis. Across the state rarely a day will pass without reference to a health system crisis in the inadequate standard of care, staffing shortfalls, lack of bed availability, long hospital waiting times, non-availability of specialist services and complete lack of adequate infrastructure. If you are looking for examples of a crisis, you need look no further than the transcripts from the 34 public hearings which were held between February and May this year and conducted as part of the special commission of inquiry into acute care services in New South Wales public hospitals.

And the state of roads across New South Wales is no better. There are serious delays to projects getting underway and, even worse, they are finishing well beyond planned completion dates and there are huge budget blowouts due to gross mismanagement by New South Wales Labor.

It is interesting to look at specific communities. I would like to have a look today at Port Macquarie as an example of federal Labor's inability to deliver health and road infrastructure in the region. Keep in mind that before the election Mr Rudd was constantly talking about working with the state Labor

governments and ending the blame game. The hospital situation in Port Macquarie is in crisis. The Port Macquarie Base Hospital was built to handle around 12,000 to 14,000 presentations. By the end of the last financial year there had been an astonishing 31,000-plus presentations at the emergency department alone. We have had problems with elective surgery and cancellations. A local doctor said that almost 60 per cent of the 981 cancellations in the past financial year could have been avoided by increasing the hospital's capacity. We can see that the base hospital is operating at more than double its capacity.

The people of Port Macquarie were, until recently, represented in the New South Wales state parliament by the Independent state member Mr Robert Oakeshott. In 2003, Mr Oakeshott committed to:

Making certain that appropriate levels of funding are provided to Port Macquarie Base Hospital, so that local residents can make full use of the excellent medical services available. This will include advocating for additional funds to reduce the inequitably high waiting list at Port Macquarie Base Hospital.

He also promised a fourth wing to increase the capacity of the hospital. On these, Mr Oakeshott has failed to deliver time after time. Why? Because, like Labor, the Independent state member for Port Macquarie talked tough but failed to deliver because he had no influence on the state Labor government. The federal Labor government cannot work with the state to produce any decent health outcomes and it is failing the people of those regions.

Interestingly, we are seeing, in the roads situation up there, enormous problems for people in the region. There have been huge blowouts over the last 10 years and gross mismanagement from an incompetent Labor government—the Labor government that Mr Oakeshott says he works so cooperatively

with. Interestingly, he was recently in the paper photographed with Mr Albanese talking about roads. So the roads to Port Macquarie have been paved with disaster. For the Independent previous state member to say that he has delivered for the community in Port Macquarie is absolutely false. We can see that he continually said how closely he worked with Labor and how much he would deliver for the regions. Well, there has been absolutely nothing. Federal Labor has had absolutely no ability to address the funding for health and roads that is needed in the area.

We have a situation where the previous Independent state member is saying how much he could deliver for the region. It is an absolute falsehood because we only have to look at the state of the hospitals and the state of the roads to see that all of those promises that the Prime Minister put forward before the election campaign have not been delivered on. He said, 'We will fix the hospitals.' He has not been able to do it and he has not been able to work with the state Labor government to do it. The previous Independent state member had no ability to do it either. He claimed he could work cooperatively with Labor, but he could not deliver anything. Quite frankly, he will not be able to deliver anything for the region while working with a federal Labor government. He has got form, he has not been able to deliver anything with the state Labor government and he certainly will not be able to deliver anything with the federal Labor government. It is an absolutely appalling state of affairs for this Prime Minister to have promised to fix hospitals and roads in our regional communities. He has completely failed, the state Labor government have failed with them and the regional communities across this country deserve better.

Senator STERLE (Western Australia) (3.55 pm)—I would like to make some

comments about Senator Nash's contribution. I say sincerely that the Rudd Labor government does take seriously the provision of health services and road infrastructure for regional communities—make no mistake about that—but, Senator Nash, I am sure that for the last five minutes you were talking about the by-election for the seat of Lyne. It was held by a National, Mr Vaile. Was that his seat? Now there is some threat from Mr Oakeshott, who is an Independent. I do not know what the heck that has got to do with providing quality health services, transport and infrastructure in regional areas but, obviously, the National Party are quite worried. They should not be worried; they should be on a high—it is not every day that you take over the Queensland Liberals. Sorry, Mr Deputy President, I will try not to giggle on that one. I am sure that it will only stay in Queensland and we will see how long that goes for. Before I get on to the importance of health and transport infrastructure in regional and rural Australia, I did some calculations before I came into the chamber. I go back to 1996, when the Howard government was elected to office. I am sure that Senator Nash, Senator Joyce—or Senator Boswell, who has been here longer and was here in the old building—

Senator Boswell—I am the father of the house.

Senator STERLE—You are the father of the house and we respect every word that you utter in this chamber. But back in 1996—while we are on the conversation of National Party held seats—there were some 18 National Party members in the House of Representatives and maybe five senators. The latest count was about nine National Party members in the House of Representatives and four senators. So I did struggle to see why we were going through a matter of public importance talking about the by-election for the seat of Lyne on Saturday. But

I would like to get back to the matter of public importance.

Senator Nash—The provision of health services.

Senator STERLE—It makes sense now, Senator Nash. It is clear now. I would like to go back and talk about what the Rudd Labor government has done for road infrastructure for regional communities. I think it is very important that the Prime Minister has made it very clear to all and sundry—and I cannot tell you how many times he has said it, I am sorry, Senator Nash—that in our first budget we have provided a record \$3.2 billion for road and rail projects across the country. There could be an argument that it is not all regional. No, it is not all regional but there is a heck of a lot that is regional. I would like to add this: as demonstrated in my previous life, I do hold the importance of roads in regional Australia closely to my heart—because there is not one committee in Western Australia I have not been on and I have been on a lot through the Northern Territory, Queensland and a sprinkling through Victoria, New South Wales and the ACT.

So road infrastructure is very important not only to the communities that rely on those roads for safe travelling but also to those communities that rely on good transport infrastructure, whether it be the agricultural industry, or the mining industry from that great state of Queensland, where Senator Boswell and Senator Joyce come from, or Western Australia, where I come from. So it is all intertwined. It is very important and, sadly, it is very easy to talk about what you are going to do through election periods and make all sorts of commitments but it is there in the budget, \$3.2 billion.

I will talk about some of the major projects that I believe will deliver fantastic outcomes for all industries and communities in rural and regional Australia. If I may, I will

talk about your home state, Senator Nash. In New South Wales, work has started on the Ballina bypass on the Pacific Highway. I have travelled the Pacific Highway. As part of our record \$2.45 billion upgrade program, we will soon be calling for tenders for the Alstonville bypass. We are spending \$2.45 billion.

In Victoria, we will start the planning to upgrade the Western Highway and the Princes Highway and do preconstruction work for the Nagambie bypass. I have travelled the Western Highway and the Princes Highway. They are two very important arterials, with goods going to and from those rural and regional communities.

In Queensland, the Townsville port access road will be delivered up to two years early—we are talking about two years here. I might sound like a broken record, but I went to the Port of Townsville with one of our committees a couple of years ago. They desperately needed that upgrade. When I visited the Port of Townsville, the Rudd Labor government was not in power. Senator Nash, it was your side of politics—well, it was the Liberals, and you guys were sort of agreeing with everything they did and rolling over to get your tummies tickled.

We are also doing up the Bruce Highway, which is probably one of the worst. The last time that I travelled it, it was probably the worst highway in Australia. In fact, I went out to Warburton once, which is 600 kilometres out of Leonora, on a dirt road. I have to tell you that the Bruce Highway, even though it was bitumen, was a lot worse than that dirt road. We are moving on. That will be finished two years early. We are doing that for Queensland. In South Australia, safety upgrades have started on the Dukes Highway.

I want to touch on a few projects in that fantastic state of Western Australia. Let me confirm for the Senate that it will not be long

before we finish the new Perth-Bunbury Highway. That is a massive infrastructure project, and it is long overdue. There is also planning for the Bunbury port access road. The city of Bunbury—for those senators who have not been there—is integral to Western Australia's productivity, whether it be in agriculture or mining in that part of the world. Sadly, infrastructure has been lacking over the last decade or two.

While we listen to senators opposite bang on and give us a dusting-up about what we have not done or what we have said we are going to do, it is there: \$3.2 billion in the budget. That is not a bad start.

Senator Boswell interjecting—

Senator STERLE—Senator Boswell, it is a record: \$3.2 billion. I am glad Senator Boswell is interjecting over there. Before I came to this great place I read some reports of inquiries that you were very active in, Senator Boswell. *Burning the midnight oil* was one of them. That was a very good report that you worked on, Senator Boswell. You have an active interest in transport.

Senator Joyce—That is what you did to Peter.

Senator STERLE—That is quite harsh. Quite clearly, the neglect over the last 12 years was not under a Labor government. No, no, no. The neglect was under a Liberal-National coalition government.

Opposition senators interjecting—

Senator STERLE—I am glad that the National senators in the corner over there have woken up, because this should get them jumping. It is very important for all those out there listening to understand that the neglect over 11½ long years of a Liberal coalition government was under the watch of National Party ministers. Senator Ronaldson, I am letting your side off. We cannot blame the Libs entirely on this, because the Nationals

think that they have this God-given right to be ministers for transport.

I want to put on the record that I have the greatest respect for not only rural and regional Australians but those involved in agriculture and farming. Without them, Australia does not eat. I want to acknowledge that. I have always acknowledged the importance of farming communities to Australia's prosperity and substance. I look across the chamber and I see farmers or ex-farmers: Senator Heffernan; Senator Ferguson, the Deputy President and ex-President; and Senator Fisher.

Senator Boswell—Senator Joyce.

Senator STERLE—When Senator Joyce and I came through Senate school, he was an accountant, but all of a sudden he is a farmer. Am I wrong, Senator Joyce?

Senator Joyce—I am both.

Senator STERLE—You are both? So you are an accounting farmer. It is sad that the Nationals claim transport and infrastructure. Senator Ronaldson, I am going to blame your side. Farmers need representation. But I do not believe that the Nationals are the ones to deliver that representation. The Liberals would probably claim that. Every time I ask a Liberal who is a farmer why they are not a National, they growl at me. I do not know what has upset them there.

The sad part is that no responsible Australian government should entrust anything with a steering wheel to a National. I make no apology for that comment. As soon as they touch anything with a steering wheel, it gets neglected. What did they do over the last 11 to 12 years? They stuffed it up. And that is no disrespect to farmers, none at all—just to those in the Nationals. I do not know why they think that they are everything fantastic to the transport industry. It has me absolutely bamboozled. They bang on about what we have not done and what promises we have

made, but I am happy to give Senator Nash a copy of the speaking notes that I got off the website. Spending \$3.2 billion is not bad.

I want to talk about some more projects in Western Australia. When I used to travel up and down that great highway, Highway 1, it used to bamboozle me why we had to put up with single-lane bitumen and dirt roads. I will tell you why: it was because the Nationals were centred around their farming districts. That is good for farmers, but the transport routes for mining and everything moving north in Western Australia were neglected. Why? Because there was not a National in sight. All the pork-barrelling was done where there were marginal National seats.

I was very entertained by Senator Nash's contribution, as I will be quietly entertained by Senator Boswell and Senator Joyce. They will not devote one second to the inaction of National Party ministers in the previous government. With the greatest of respect, I will like seeing how you dodge and duck from that. You cannot put your hands on your hearts and look me in the eye and tell me that your former colleagues in the National Party were the best thing for the transport industry or for road infrastructure in regional and rural Australia. We went through a lot of pork-barrelling in the last election—a hell of a lot.

Anyway, the Rudd Labor government will deliver on important infrastructure in regional and rural Australia. Not only that, we have a \$20 billion fund. I did not see \$20 billion coming out under the previous government.

Senator Nash interjecting—

Senator STERLE—You had four goes at it. You say you left us the money. Well, we are going to spend it and we will spend it on important things, Senator Nash. Thank you for that interjection. We will spend the money on regional and rural communities,

whether it is in health or in transport infrastructure. Twenty billion dollars has been put aside into the Building Australia Fund. 'Twenty billion dollars' may roll off the tongue. That is a heck of a lot of money. It is \$20 billion that was not there before. I do not know where you had it hidden. I would have to ask Mr Swan but I am sure he will be able to tell me where it was. That is \$20 billion to invest in nation-building infrastructure: \$20 billion to rebuild our road and rail networks and roll out world-class broadband. Why? Because it had not been done. Under the Nationals and under the previous government, it had not been done.

Senator Nash interjecting—

Senator STERLE—Sadly, Senator Nash. Senator Nash, I have a couple of minutes left. I am happy to give you a couple of minutes and you can tell us more about the by-election in Lyne this week. It really has got you worried, obviously, because an Independent will take your seat. Anyway, we will wait until Saturday and we will see that.

That is \$20 billion to undo 11½ long years of neglect. Worse than all of the past neglect of those opposite is their current attempt to raid the Building Australia Fund. Every cent that that side of the chamber knock off the surplus comes out of the Building Australia Fund. So, Senator Nash, when you are at your party room tomorrow with your colleagues I hope you think about that, and I hope you do, Senator Boswell and Senator Joyce: every single cent will come out of that fund, and that fund is put aside for building Australia. And a lot of that is for infrastructure in the areas that you purport to represent—that some of you do represent; some of you do not.

Every time that those opposite block a budget bill they block further funding for Australia's national highways and rail networks—the very thing I hear them scream

about. How can you put your hand on your heart and justify knocking us back on the budget that we had the mandate to put forward? How can you do that?

Senator Boswell interjecting—

Senator STERLE—Senator Boswell, can you go up to Queensland and out to those cane growers who rely on railway services and good roads, or those growers in the far north of Queensland or the mining companies, look them in the eye and say, ‘We’re doing the right thing for you’? That brings me to one thing. I just cannot help this, but I have this thing about Nationals claiming to represent infrastructure and transport. I want to steal a line that I found of Sir Winston Churchill. I thought it was one of the best ones that I had heard. I would like to relay it to the Nationals. It talks about the Nationals. It says: ‘They are a riddle wrapped in a mystery inside an enigma swallowed by a joke, covered in bananas, sprinkled with peanuts, dipped in ethanol.’ Mr Acting Deputy President, I thank you for your time.

Senator Joyce—Mr Acting Deputy President, I rise on a point of order. I would like to draw your attention to Senator Sterle saying that that would be a quote from Winston Churchill. I believe that what he has just given is a quote from Glenn Sterle, with a little bit of Winston Churchill thrown in. As such—

The ACTING DEPUTY PRESIDENT (Senator Humphries)—I think there is no point of order. Thank you, Senator Joyce. Senator Sterle, your time has expired.

Senator Sterle—On the point of order—

The ACTING DEPUTY PRESIDENT—There is no point of order.

Senator Sterle—I would just like to acknowledge Senator Joyce’s—

Senator SIEWERT (Western Australia) (4.11 pm)—I would also like to speak on this

matter of public importance: the failure of the Rudd Labor government to ensure adequate provision of health services and rural infrastructure for regional communities. I would like to point out that we have had years of neglect and failure of governments to provide adequate health services in regional areas. Not that I am here to defend the government, because I have a whole lot of my own criticisms, but to expect them to have fixed in the last nine months the problems that rural communities have faced is really a big ask. What we should be looking at are some of the longstanding issues that are affecting rural and regional health and infrastructure in our communities. I would not put the focus on road infrastructure, particularly in this day and age with greenhouse effects and climate change coming down at us; I would be looking at the broader infrastructure needs of the rural and regional communities and looking at what we need to do to face the impact of climate change in rural communities. I suggest the focus of this matter of public importance would actually be targeted better at that, rather than just looking at roads.

While I am on the issue of infrastructure, we note today the release of the discussion paper by Infrastructure Australia, which fortunately has picked up on those arguments that my colleague Senator Milne made very strongly in this place when debating a particular piece of legislation. I notice that one of the goals in the paper that was released today is about environmental sustainability and reduced greenhouse gas emissions. We are very pleased to see that as a goal in this paper—a goal to look at the strategic priorities to reduce greenhouse emissions. The Greens believe that this will, if it is in fact achieved and implemented, strongly address the needs of regional and rural communities.

However, I would like to move on to the issues around health. The Greens are very

well aware of the very major issues that are facing rural and regional Australia, particularly when you look at some of the absolutely appalling health statistics. We know for a start that health outcomes for those suffering from cancer in rural areas are much poorer compared to their city counterparts. Overall, we also know that rural males have higher rates of disease burdens due to cardiovascular disease, cancer, neurological and sense disorders, chronic respiratory diseases, musculoskeletal diseases and other injuries compared to their metropolitan counterparts. Overall for rural females, we know that there are higher rates of disease burden due to cardiovascular disease, cancer and, again, neurological diseases and sense disorders. They have much higher rates compared to their city counterparts. When you look at psychiatric services, there are approximately 113 Medicare funded psychiatric services per thousand people in major cities and 19 per thousand people in very remote areas. That is a very significant difference. It is now documented that rurality, which is 'living in a rural or remote location', creates a higher risk of suicide. Suicide rates for males in rural and remote communities have increased steadily over the past 20 years and the rates for young males are consistently higher in small, rural communities than in metro and regional areas. In fact, rural Australia has one of the highest rates of youth suicide in the world.

Hypertension is a major disease burden in regional and remote areas. Its incidence is significantly higher in these areas. The average life expectancy of people living in rural and remote areas is generally up to five years less than for people living in major cities. The list of health issues related to living in rural and remote Australia is very extensive. There is also the lack of access to regional hospitals, doctors, GPs, nurses, dental services and mental health services and there is

the state of Indigenous health—which I will come back to in a minute. Services in those areas are all suffering compared to metropolitan services. In addition, it is very hard to get let alone keep staff. All these issues are affecting rural and regional services. Having lived in the bush, and having experienced lack of access to doctors and medical services, I can testify to the problems that are caused in regional communities when you do not have access to good medical services. On many occasions my family and I had to travel hours and hours from where we lived just to see the doctor. Just to see the GP for a 10- to 15-minute appointment you had to spend two hours in a car. These are significant issues that I think people in the city just do not understand.

Of particular concern to us is mental health in regional communities. Data recently released by the Australian Institute of Health and Welfare highlighted the lack of mental health services in country areas. The Greens have long argued for increased funding for these services and for education in the prevention and early detection of mental illness. There is a very large shortfall in mental health support in regional areas that definitely needs to be addressed. Early last month the National Rural Health Alliance said:

We need to build sustainable primary health care systems for the bush that include mental health services. These will be different from those in the city and different between rural areas and remote areas.

We believe it is an essential priority for the government to address.

We are also deeply concerned about Indigenous health. People in this place will be in no doubt as to how the Greens, and I in particular, feel about the issues around Indigenous health. I have spoken on that issue numerous times in this place. Just to remind people: there is a gap of 17 years in life ex-

pectancy between Indigenous and non-Indigenous Australians. That is one of the worst gaps in the world and Australia is one of the only First World nations that is not significantly closing that gap. We have a lot that we need to achieve, including providing primary healthcare services, providing a significant injection of funding and providing better access to Medicare benefits and the Pharmaceutical Benefits Scheme—not to mention addressing overcrowded housing.

Then we need to look at dental care. If you are living in regional or rural Australia and you are not on a dentist's or a GP's list, you can whistle Dixie if you need to get some treatment. You do not just roll up at a GP's office—or at a dentist's office, for that matter—or ring and make an appointment. If you are not on their appointments schedule, you just do not get a look-in. We need to significantly improve the dental care system in this country. We need to look at the significant workforce issues that continue to impact on health care in the metropolitan areas let alone in the regional areas, where it is extremely difficult to get trained staff.

I have not even touched on the issues that are facing those living with a disability, carers and older Australians. Older Australians need access to aged care and carers need access to services and respite. In many areas that is non-existent. We need to look at what we can do with training. We need to look at better ways of providing healthcare services to regional Australians, including, for example, establishing multipurpose community healthcare centres with a holistic approach to health where people can get fast and efficient service. Then we can start addressing the huge disparity between rural and city health. Of course, that will take a commitment by government, and that is a commitment that has not been given by past governments either. These poor health stats did not come overnight. They did not suddenly develop in

the last nine months. I still find it rather intriguing when the coalition put up matters of public importance like this seeking to address these issues. They were in government for 11 years and these issues went unaddressed. Some issues—for example, mental health—no doubt deteriorated over that period of time.

This is not something that, admittedly, can be changed overnight. But we do expect this government to make a much more significant contribution. For example, how about getting rid of the private health insurance rebate? You would have \$3.6 billion right there and then. People living in rural Australia often cannot use their private health insurance. I know in my home state of Western Australia you would be struggling to find a private hospital outside of the metropolitan area. (*Time expired*)

Senator BOSWELL (Queensland) (4.21 pm)—I am joining this debate on the matter of public importance on the failure of the Rudd Labor government to ensure the adequate provision of health services and road infrastructure for regional communities. Health and transport are vital to our regional communities. The only way investments in regional areas are delivered is when there are coalition governments and coalition representatives in state and federal parliaments. Labor never really worries about regional areas because it does not have to. It neglects most of the regional areas because it can. That is not where its power base lies. The coalition by its very definition is a broad partnership between city and country where regional votes have a dedicated role in setting the political agenda. There is no power incentive for Labor to deliver health and road infrastructure. That is the way it has always been historically in the rural and regional areas. That is why the voters of Lyne for many years have consistently returned National members of parliament to deliver for

them someone who can be inside the government tent.

In the face of such Labor neglect of critical infrastructure in regional areas what options do the voters of Lyne have at the upcoming by-election? Labor has so little confidence in themselves as a new government that they are not even running a candidate. But then they hardly need to because, if the Independent candidate gets up, Labor will have won anyway. If the Independent wins, Labor wins. That is the simple message for those concerned about health and road infrastructure in regional areas.

The Labor government in power will not be threatened or even sent a message if an Independent wins in Lyne. Labor wins, because it is another seat taken away from the coalition that makes it harder for them to win government back. If the voters of Lyne are conservative voters, as many are, then voting Independent puts a conservative government further away, not closer. I do not believe that the voters of Lyne support the Rudd government. Neither should they.

Small business confidence under the Rudd government has collapsed to the lowest level ever. Working families are far worse off in Kevin Rudd's economy than they were in John Howard's. The Labor government has acted to increase costs on Australian families. They have increased the taxes on alcohol, cars, transport by trucks and travel, while forcing up the cost of health insurance. It is also clear that Labor's emissions trading scheme will add to prices, particularly for electricity. The Prime Minister, Kevin Rudd, said recently that they have 'done as much as they physically could to provide additional help to the family budget'.

Rural and regional areas suffer the most neglect when their voice in the corridors of power is restricted to a single voice. Then it is a whisper, a lonely whisper down here that

has to compete with the loud and strong voices of political parties. We are a party system of parliamentary democracy. We are that way for a very good reason. It is how things get done; it is how running a country is best organised. It is not perfect but it is the best way of doing it that mankind has been able to develop. When the coalition was in office net household wealth trebled from 1996 to 2007. Since November last year that wealth has gone backwards by five per cent. A vote for an Independent in Lyne is a vote for going backwards even quicker. If an Independent is elected in Lyne, that will give a tremendous boost to the Rudd Labor government. It will be a reward for neglecting regional health and road funding. Voting Independent helps Labor and puts the coalition another seat behind in the next federal election. So if the voters of Lyne want the coalition to take the reins of government, they must vote for the coalition candidate. Voting Independent is a luxury that regional health and road infrastructure simply cannot afford.

Senator MOORE (Queensland) (4.26 pm)—I was interested when I saw this motion that it seemed we had an expectation that a change of government—a change of government that we all acknowledge happened late last year—was going to somehow magically fulfil all the wishes of everyone across the whole of the community at once. Now less than 12 months later we have an urgency motion that says that everything is 'rooned' since the Labor government came to power. I will speak, Mr Acting Deputy President, as you well know, particularly on the issues of health in this area, but I just want to take a little bit of time to talk about a concern I have, which was actually the focus of Senator Boswell's comments—that is, an inference that the only people who have knowledge of or care about those issues to do with rural or regional Australia are those who are in either the National Party or the

Liberal Party, and I think that Senator Boswell was speaking particularly on behalf of the National Party.

Senator Boswell—I was speaking on behalf of the coalition.

Senator MOORE—So, on behalf of the coalition. I would just like to put on record that there are very many people who are not in the coalition who have close links with and knowledge of what is happening in rural and regional Australia. I know that Senator Stephens, who is sitting there, will be able to speak. I do not know whether she is an academic, a politician and a farmer, or how it all works together. Certainly, both sides of my own family have a long history of farming on the Darling Downs in Queensland. Many of my cousins are still there and I think that they would be a little surprised to hear that just because I have chosen to be a representative of the Australian Labor Party I have somehow lost all the knowledge, support and nurturing that my family have given me throughout my life to now. I am worried that there is some inference being made that your political beliefs automatically except you from particular knowledge and awareness of what is happening in the community.

When the election was called, when we were in that process and when the election result was known, Mr Rudd in accepting the choice of the Australian people made many comments that he was there as a representative of all Australians and that he was not going to be representing a segment of the community. Our policies, those which we are putting forward now in response to the election result, actually take account of the needs and concerns of all Australians. The urgency motion that we have before us talks particularly about rural Australia and, whilst from my point of view I will be talking about some of the things we have done for health, the way all policies that are developed by our

party need to look at their impact on all Australians. It is really difficult to find one issue that you can segment and about which you can say, 'That only has an effect on people who live in that part of the world,' because there are knock-on effects. There are always decisions made in one part of any policy agenda which will inevitably roll over to others. But in the time that I have I want to put on record in this debate here in the Senate again—because Senator Sterle had talked about infrastructure and roads—some of the things that the Australian Labor Party has done particularly for those members of our community who happen to live in rural or regional Australia.

One of the things we did was to commission an immediate audit of the workplace issues around health in our country—and we know that this has been a discussion point for many years. There is not a finger-pointing game or a blame game about this. What we are saying is that there has been a wealth of anecdotal knowledge that there have been shortages across all areas of the medical workforce across Australia but in particular in rural Australia. So the incoming government automatically commissioned an audit to find out what was happening in rural and regional Australia, and the results were no surprise. It clearly noted that there were massive shortages across all elements of the medical workforce. We now have that data and we have released the audit report.

I am worried about why people on the other side of this place seem to be so appalled by the idea of having reviews or taking things into consideration, because I thought that was our job—to look at what was happening, to see what has been going on and then to work out policy that responds to that. With this audit we have put on record what many people knew and what we had been told by people from the National Rural Health Alliance—that there were shortages,

that there were insufficient doctors, insufficient nurses and insufficient medical support workers in areas such as radiography and physiotherapy and in all those professions to provide the services which all Australians need. As a result of that audit, we now have the record. We have the baseline data that indicates where the shortages are across Australia and what we are going to do about them.

Only recently we created a new section in the Department of Health and Ageing which has a full focus on issues of rural health. We now have the Office of Rural Health—since 1 July 2008—and that came about much as a result of that focus on what the workforce areas were. In announcing this new office in the overall Department of Health and Ageing, the Minister for Health and Ageing said that this new Office of Rural Health would be there specifically to drive reform in the area of rural health.

One of the clear issues has been the basis of the health system when looking at allocation of resources. It has been a classification system which has been in place in the department of health for many years. We have had many discussions at Senate estimates about exactly how the RRMA system operates and whether an area, if it is on one side of a border, will get special treatment in the allocation of resources. We are going to have a review of this system—and I say that proudly—because we want to see what many people have been questioning for many years. We want to know exactly whether the RRMA system that was introduced in the past is the most effective mechanism to provide the basis for classification into the future. We are going to see if the RRMA process effectively responds to the incentives in the rural health policy so that we can make sure that the current population figures and areas of need are defined—that this basic model works so that the basis on which allo-

cation of resources is made is accurate. That came out of the audit, and that will be the responsibility of the Office of Rural Health.

We are going to look at the existing programs that support rural health professionals and see whether that can be done better. In fact, it has to be done better because it is not working well now. We are not effectively providing support to the professionals who choose to work in the bush, because they are not staying. We also know that they are ageing, and people are questioning whether it is going to be a long-term process.

Through the Office of Rural Health, we are going to oversee the significant contribution of funding that the government has already made to rural health. One result of the knowledge about the workforce is a particular focus on the workforce. This government is going to spend about \$4.6 million over four years to place an extra 600 medical students in rural or remote communities as part of their on-the-job training. As we have said for many years, that will give people who have chosen to work in the medical field real-life experience working in rural areas. You have to build up confidence and knowledge based on real experience to make choices about where you are going to work in the future, and this is actually looking at medical students now.

There is an expectation that the same kind of on-the-job training could be provided across a whole range of medical areas, and certainly one of my hopes is that it will be provided in the area of mental health. I hope we will be able to encourage people in the psychology and psychiatry areas to move into the rural areas so that they can provide immediate support there. These are the kinds of issues that have been raised by a number of people, because there is no ignorance about what the challenges and the needs are. Certainly in recent years, with the horrific

impact of the drought and market pressures on people who are living in regional areas, the Australian community as a whole must be aware of what is happening in those areas and one element of the government's response must be to provide effective medical services.

We are looking at scholarships in the area of rural clinical placement. We are looking at expanding the medical specialist outreach program, one we have talked about many times in the community affairs area, to allow specialist services to provide services in people's own homes. I want to particularly mention the extra money provided for the Jane McGrath Foundation—I have talked about this before—and that is in the area of cancer nurses.

Consistently there is an acknowledgement that extra resources need to be placed in rural areas, but I do caution anyone believing that they have all the answers or that they can label people by what they see as exactly what their knowledge and concerns are. This government is committed to providing support across a whole range of areas to people who live in rural areas, but I want to say that I think that is a job for all of us. Just because we are on this side of the chamber does not mean that we do not have close ties with and an understanding of rural Australia.

Senator JOYCE (Queensland) (4.36 pm)—It is wonderful when Senator Sterle starts giving us Churchillian quotes because there is just so much ammunition that you can go on all day. Senator Sterle started with his misquote of Churchill's statement on 1 October 1939 about the Soviet Union being a puzzle inside a riddle wrapped in an enigma. This could possibly show us Labor Party policy on economics. This could easily be a quotation about exactly where they are going to spend their \$20 billion infrastructure fund. It was good to hear Senator Sterle say that

they are going to spend it all in regional Australia. He quoted that here today, and we look forward to that—or maybe that will just become another promise that falls by the wayside. But Senator Sterle, on his game as he usually is, has now announced to all and sundry that all of the \$20 billion is going to be spent in regional Australia. I welcome and applaud that, but I look forward to the detail hitting the table. What is so incredible and fatuous about a Labor government is that there is no detail. There are just statements and more glitter than you could see at certain parades held in Sydney at certain times. It is an amazing position where we always get these marvellous statements which they can never ever back up. There is Fuelwatch, grocery watch and school watch, and on and on it goes but they never actually seem to come forward with the detail.

I commend Senator Moore's statement about health, but I want to go through Labor's record on health. The statistics are that people in regional areas are 35 per cent more likely to die within five years of a diagnosis of cancer than patients in larger cities. This is with state Labor governments looking after health. The Queensland Cancer Council says that it is worried that some rural cancer patients may be deciding against treatment because of higher accommodation and travel costs. Rural patients requiring radiation therapy often need to stay in a major city. In 1987 patients got an allowance of \$30 a night. Today under Labor in Queensland what is it per night? It is \$30. This is a clear statement, in dollar terms, of how Labor sees regional Australia. Regional Australians have been left completely bereft. Labor go through all the platitudes and the rhetoric of talking about the regional issue but they are very, very lacking in delivery and even further lacking in detail.

While we are on Churchillian quotes, another thing Churchill said was: 'An appeaser

is one who feeds a crocodile, hoping it will eat him last.' Maybe that was Senator Sterle if he had known that quote rather than the one he made up. He probably realised that that is possibly a quote about independence—the one who hopes that the crocodile will eat him last. Currently the Independent who is standing for Lyne, Mr Oakeshott, not only is grabbing the glory for things he did not have anything to do with but says he is going to work very closely with the Labor government, and I think that is something that the people of Lyne need to know. The only way you will ever get anything through this parliament is to get a majority in the other house and a majority in this house. Nothing has ever got through this parliament with only one vote. I am not casting any aspersions against their characters, but not one vote has ever been determined by Mr Katter or Mr Windsor. They are completely and utterly irrelevant. They are very nice people but they are completely and utterly irrelevant, because they fail to have the conviction to nail their colours to the mast.

What is interesting about Mr Oakeshott is that he will not actually come forward and say what he would do if all his stars were aligned and it really did come down to his vote to determine who would hold the treasury benches. You would think a man of conviction, a man who stands by his people would be able to say, 'If that were the case, I would either back the Labor Party or I would back the conservative side of government.' It is a very simple question.

Senator Ronaldson—Won't he do it?

Senator JOYCE—None of them do it. These are the people of conviction who cannot tell you, who cannot tell their own people, who they would like to run the country. That is the sort of conviction you get, which is no conviction whatsoever. It is actually buttering only one slice of bread, and that is

your own piece. It is not so much looking after your community, being a partisan representative of your community, but a parochial representative of yourself.

Because we are on Churchillian quotes I think one of the better ones is: 'However beautiful the strategy, you should occasionally look at the results.' That is another Churchill one. So I want to give a few results. With the Labor Party we have Fuelwatch, which is now a complete fiasco, and we have grocery watch and school watch. Under the coalition, the conservatives, we have the paying off of \$96 billion in debt. Under Labor we now have the highest inflation on record, the highest interest rates on record and the lowest business confidence on record. The only thing that is growing is unemployment. Under the conservatives we had what they call the 'wonder down under economy'. I think these are the sorts of results you have to look at. These are the sorts of results that you are going to be held to account for. There is a complete lack of detail. There is a vacuum waiting for detail to come into it. That is why we will not be able to fix health under this government, that is why we will not be able to fix the roads under this government and that is why this economy will struggle under this government—because they lack the acumen to provide the detail. It is all glitz and glamour but it lacks detail, and sooner rather than later the Australian people are going to start asking for that detail and we will assist them in the process.

The next one will be your environmental trading scheme. We are waiting for that one. That will be a complete dog and cat show. You wait for that to turn up. Yet all we have at the moment is this propaganda in place of detail. They are terrified of actually tabling something of consequence. But one day soon, after the Australian people have paid off your ads on television, we might actually

get the chance to see something and be able to tell people how this is going to affect them. (*Time expired*)

The ACTING DEPUTY PRESIDENT (Senator Humphries)—Order! This matter has now concluded.

MINISTERIAL STATEMENTS

Employment Services

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (4.43 pm)—I table a ministerial statement on reform of employment services in Australia.

COMMITTEES

Public Accounts and Audit Committee Reports

Senator MARK BISHOP (Western Australia) (4.44 pm)—On behalf of the Joint Committee of Public Accounts and Audit, I present two reports: the 411th report, *Progress on equipment acquisition and financial reporting in Defence*, and the 412th report, *Audit reports reviewed during the 41st Parliament*. I seek leave to move a motion in relation to the reports.

Leave granted.

Senator MARK BISHOP—I move:

That the Senate take note of the 411th report.

Defence is a large and complex portfolio. Over the last 15 years it has been the subject of a great deal of public and ongoing detailed parliamentary scrutiny. There has of course been good reason for this ongoing scrutiny. At the same time, defence was the beneficiary under the previous government of ongoing generous funding—real increases of some three per cent per annum—as it will be under this government. In that context, it is common knowledge that defence has suffered from some very public deficiencies in

its financial reporting and in its capacity to acquire and use major equipment both on time and within budget. Defence has been under pressure to reform and to make changes. Indeed, in the lead-up to last year's election there were significant policy commitments put out by the Australian Labor Party, in terms of its platform, about reform of defence. The current Minister for Defence has made a series of speeches advocating reform and indicating that significant cost savings will be found from particular areas of defence.

In 2003 two significant defence related reports were published. The first, the *Report on the inquiry into materiel acquisition and management in Defence* by the Senate Standing Committee on Foreign Affairs, Defence and Trade, provided a then relevant snapshot of progress since the earlier restructure of the Defence Materiel Organisation. The second, the *Defence procurement review*, or what has become known as the Kinnaird review, recommended a number of important reforms to processes around developing and maintaining capability—perhaps the most important arm of Defence. The year 2003 also saw the initiation of a comprehensive financial remediation program to address Defence's financial management challenges. Significant aspects of that Defence financial remediation program are still underway.

In March 2006 the Joint Committee of Public Accounts and Audit decided it was time to take stock of the progress that had been made by Defence since those reviews. To that end, it resolved to conduct an inquiry into financial reporting and equipment acquisition at the Department of Defence and within the Defence Materiel Organisation. The committee received some 20 detailed and lengthy written submissions. Submitters included the Department of Defence, defence industry representatives and companies, and private individuals with an ongoing interest

in a range of matters associated with defence. The committee also heard a large amount of oral evidence through public hearings in 2006 and in the early part of 2007. Two inspections were also conducted in Sydney at Qantas Airways Ltd.

On the basis of what it heard, it was evident to the committee that Defence had undertaken a substantial amount of work to remediate its financial management practices. Likewise, both Defence and the Defence Materiel Organisation had worked hard to implement the recommendations of the Kinnaird review. The committee commends Defence's senior leadership team and their commitment to driving these reforms through the department. Having said that, of course there is still a significant amount of work to be done and it is my view that that ongoing work is going to take the best part of another decade.

At the conclusion of the inquiry, the committee found that three key areas were left wanting and are worthy of further ongoing serious attention by the powers that be in Defence. Firstly, whilst it is clear the Kinnaird review recommendations have been implemented, it remains to be seen how effective these reforms will ultimately be. The intent of the Kinnaird reforms was to make the DMO a more businesslike, outcomes focused organisation. The extent to which this has occurred can of course only be determined through careful monitoring of lengthy acquisition projects' outcomes.

This brings me to the second area of the committee's concern. Given the significant investment the department has made in reforming its processes and its practices, in the committee's view it is imperative that the department start to develop techniques to evaluate the outcomes of its reform agenda. These techniques should include creating metrics to gauge the impact of the Kinnaird

reforms on cultural change across the department. Linking these first two elements is the final area of concern. The link that will improve transparency and accountability across the department is the major projects report, a fairly exciting plan that has been some two years in gestation and that will hopefully have come to final fruition after November this year.

An absence of clear, consistent information from which to assess the progress of Defence's major acquisition projects has been a major concern for many years to this committee, the joint Defence committee and the Senate foreign affairs, defence and trade committee. This deficiency has led the Public Accounts and Audit Committee to unanimously recommend that the Auditor-General receive funding to produce the annual major projects report. This report will represent a significant step forward for Defence. It is a vehicle by which project outcomes can be monitored, noted and, more importantly, tracked in a systemic and holistic manner, producing over time a comprehensive understanding of where projects succeed, where they fail and how to take the appropriate remedial action, particularly where they fail, to make sure that does not occur ad nauseam, as has been the case for many, many years.

The committee firmly believes that, while the major projects report is not a panacea for all Defence's acquisition difficulties, it will go a long way towards providing a significant degree of transparency and accountability, which Australian taxpayers deserve and want. The committee's role does not end with the tabling of this report. It has recommended the Department of Defence address the committee's findings and provide it with an update in 12 months time, and the committee expects Defence will carry out these recommendations. Additionally, the committee remains steadfast in its commitment to monitor and review the major projects report

on an annual basis. To that end the committee keenly awaits the pilot report, which is anticipated to reach parliament in November this year.

The net finding of the committee's report under discussion is this major projects review. As I say, it has been in gestation for the best part of two years—under the previous government, where there was active and ongoing support from the previous Prime Minister, and indeed with the active and ongoing support of the Minister for Finance and Deregulation and the current Prime Minister. We are spending tens of billions of dollars on defence. It is about acquiring and using capability that suits the strategic interests of this country in both the near future and the long term. The purchase package is often in the realms of tens of billions of dollars. The time lines involved can be up to a decade or a decade and a half. Having signed a contract, made the arrangements to purchase, and awaiting delivery on the capability sought—having bought the tanks, planes or submarines, whatever the particular piece of equipment and whatever time it comes—for it not to deliver the capability that is sought and for bureaucrats and for departments not to be aware of potential shortcomings and deficiencies in capability of delivery early on in the process has been a most alarming error. One hopes that the attention that has been provided by a range of committees of this parliament—certainly by this committee and I am sure by other committees into the future—and a range of members of parliament for the last five to 10 years is finally going to bear fruit in terms of the major projects review as it comes to be the subject of particular scrutiny.

At this point I would also like to acknowledge the organisations and individuals who prepared written submissions and gave up their time to appear before the committee. I would like to also acknowledge the inval-

able work of the committee secretary, Mr Russell Chafer, the inquiry secretary, Dr Kris Veenstra, and other members of the committee secretariat. The committee is grateful for these contributions. I commend the report to the Senate. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

UNIT PRICING (EASY COMPARISON OF GROCERY PRICES) BILL 2008

Report of Economics Committee

Senator FARRELL (South Australia) (4.54 pm)—On behalf of the Chair of the Standing Committee on Economics, Senator Hurley, I present the report of the committee on the Unit Pricing (Easy comparison of grocery prices) Bill 2008, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Humphries)—The President has received letters from party leaders seeking to vary the membership of committees.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.56 pm)—by leave—I move:

That senators be appointed to committees as follows:

Australian Crime Commission—Joint Statutory Committee—

Appointed—Senator Fielding

Regional and Remote Indigenous Communities—Select Committee—

Appointed—Participating members: Senators Hanson-Young and Ludlam.

Question agreed to.

**TAX LAWS AMENDMENT (2008
MEASURES No. 4) BILL 2008**
**FAMILY LAW AMENDMENT
(DE FACTO FINANCIAL MATTERS
AND OTHER MEASURES) BILL 2008**

First Reading

Bills received from the House of Representatives.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.57 pm)—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 CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (4.57 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—

TAX LAWS AMENDMENT (2008 MEASURES No. 4) BILL 2008

This bill amends various taxation laws to implement a range of improvements to Australia's tax laws.

Schedule 1 provides relief from capital gains tax for private health insurance policyholders when their insurer demutualises to a for profit insurer. These amendments facilitate the demutualisation of private health insurers.

These amendments ensure that policyholders who receive shares in the demutualised insurer will not be subject to capital gains tax when they receive

the shares. In addition, these shares will broadly receive a market value cost base.

Policyholders who receive a cash payment under their insurer's demutualisation, rather than shares, will not be subject to capital gains tax at the time they receive this payment.

Although Schedule 2H of the Income Tax Assessment Act 1936 provides members of mutual entities that demutualise with certain capital gains tax relief, many policy holders of health insurers are not covered by the existing demutualisation provisions because they are not 'members' in the sense required under Schedule 2H and consequently would be subject to the general income and capital gains tax provisions of the tax law on demutualisation.

The changes will provide certainty to policy holders of health insurers that have demutualised this year receive the new tax treatment.

To illustrate the effect of this measure, NIB demutualised in October last year. MBF is preparing to demutualise.

Schedule 2 reverses two of the family trust changes introduced by the previous government in the Tax Laws Amendment (2007 Measures No. 4) Act 2007.

These amendments were foreshadowed by Labor prior to the Federal election, and were announced in the 2008-09 Budget.

The amendments change the definition of 'family' in the family trust election rules to limit lineal descendants to children or grandchildren of the test individual or of the test individual's spouse. That is, the previous definition of family will be restored.

The amendments also prevent family trusts from making a variation to the test individual specified in a family trust election (other than specifically in relation to the 2007-08 income year or in the case of a marriage breakdown).

Both of these changes reduce the scope for family trusts to be used to lower income tax by utilising losses, delivering on the Government's commitment to disciplined budget management providing savings of almost \$20 million over the forward estimates.

Finally, Schedule 3 implements various minor amendments to the law and also some general improvements of a minor nature and deal with such issues as incorrect terminology, grammatical or punctuation errors, missing asterisks from defined terms, inoperative material, ambiguities in the law and adding non-operative notes to help readers navigate their way through law. These amendments reflect the Government's commitment to the care and maintenance of the tax system.

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

FAMILY LAW AMENDMENT (DE FACTO FINANCIAL MATTERS AND OTHER MEASURES) BILL 2008

The Family Law Amendment (De Facto Financial Matters and Other Measures) Bill 2008 introduces significant reforms to allow opposite-sex and same-sex de facto couples to access the federal family law courts on property and spouse maintenance matters on relationship breakdown.

This bill is long overdue, and gives effect to an agreement between the Commonwealth, states and Territories made in 2002. The bill follows the enactment of legislation by a majority of states referring necessary powers to the Commonwealth.

The reforms will provide greater protection for separating de facto couples and simplify the laws governing them.

The reforms will also bring all family law issues faced by families on relationship breakdown within the federal family law regime. The federal family law courts are the specialist courts in Australia with vast experience in relationship breakdown matters. They also have procedures and dispute resolution mechanisms which are more suited to handling family litigation arising on relationship breakdown.

The bill is consistent with the government's policy not to discriminate on the basis of sexuality. The bill applies to both opposite-sex and same-sex de facto couples.

This bill amends the Family Law Act 1975 and related legislation to create a Commonwealth

regime for handling the financial matters of de facto couples on the breakdown of their relationship. By providing a consistent and uniform approach for de facto relationships, this bill will alleviate the administrative and financial burden currently faced by de facto couples as a result of multiple de facto regimes applying across the states and Territories.

The current state and Territory de facto property settlement and spouse maintenance laws are far from uniform.

De facto couples currently have different rights in different states and Territories. This is unsatisfactory as it is not uncommon nowadays for families to move across state or Territory borders, or to have property or other financial resources in different states and Territories. These reforms will provide a national and uniform system.

Also, where de facto couples have children and their relationship breaks down, they can find themselves with children issues in one of the federal family law courts and property issues in a state court.

This will mean couples having to run parallel proceedings in two court systems, placing unnecessary additional costs and inconvenience on de facto couples, as well as an administrative burden on the federal and state court systems.

Clearly this is not the most efficient and effective way to resolve these matters.

I am glad to say, that this bill will address and resolve these issues.

The bill enables federal family law courts to deal in the one proceeding with both financial and child-related matters arising for separated de facto couples.

De facto couples will be able to obtain a property settlement, split their superannuation interests and make financial agreements, all recognised and enforceable by the federal family law courts.

Most states agreed in 2002 to provide the Commonwealth with a reference of power concerning the financial matters relating to the parties of a de facto relationship arising out of the breakdown of that relationship. Since that date, NSW, Victoria, Queensland and Tasmania have passed legislation referring power to the Commonwealth. In the

ACT, the Northern Territory and Norfolk Island, the Commonwealth will rely on its power over Territories to apply the new legislation in those jurisdictions.

The bill will require parties to demonstrate a geographical connection such as residence in a State that has referred power or a Territory to gain the benefits of the new approach.

I will now briefly outline some of the key aspects of the approach to de facto financial matters introduced by the bill.

What relationships will the bill cover?

Before a court can make an order, it will need to be satisfied that the de facto relationship lasted for at least two years, that there is a child of the relationship or that a party to the relationship made a substantial contribution to the relationship and it would cause serious injustice not to grant an order. The bill also extends to couples whose relationship both satisfies the definition of 'de facto relationship' in the references of power and is registered under state or Territory law.

Declarations

A major difference between a marriage and a de facto relationship is establishing when a de facto relationship has commenced or ended. With marriage, it is very clear when a couple have commenced their marital relationship because of the ceremonial requirements and declarations made before witnesses and authorised celebrants.

Equally, it is usually easier to determine the end of a marriage because of the formality of divorce.

In the case of a de facto relationship, identifying whether a relationship existed, and when it was on foot or not, can be more difficult. To assist the courts and the parties in these situations, the bill provides courts with the ability to make a declaration about a range of important characteristics of a de facto relationship.

There are other benefits for de facto couples under the new national regime.

De Facto maintenance and property orders

The bill will allow a court to make orders for the maintenance of one of the parties to the de facto relationship, or an order declaring or altering the interests or rights a party to a de facto relationship has in respect of property.

Superannuation splitting

For the first time, the bill will allow de facto couples to split their superannuation interests in the event of a breakdown in that relationship. This will enable recognition of the important contribution many de facto couples make over the course of their relationship to each others' superannuation to be reflected in the proper apportionment between them of what they have accumulated for their retirement. This is an important benefit that has been available under the Family Law Act for married couples since 2002.

Binding Financial Agreements

De facto couples in participating jurisdictions will also be able to enter into binding financial agreements. These allow parties to enter into agreements about how they will distribute their property or financial resources or maintain each other in the event that their relationship breaks down. Agreements will be possible before or during a de facto relationship, or after it has broken down.

Other amendments

The bill makes a number of other minor amendments to improve the effectiveness of the Family Law Act.

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

This much needed reform will give separating de facto couples the same rights as divorcing couples under the comprehensive Commonwealth family law system. It provides a consistent approach to de facto property disputes across state and Territory borders.

I commend the bill.

Debate (on motion by **Senator Conroy**) adjourned.

Ordered that the bills be listed on the *Notice Paper* as separate orders of the day.

COMMITTEES

Membership

Messages from the House of Representatives were reported informing the Senate of the appointment of members of the House of

Representatives to joint committees, as follows:

Intelligence and Security—Joint Statutory Committee—Mr Robb.

Public Works—Joint Statutory Committee—Mr Price in place of Mr Hale.

FIRST SPEECH

The PRESIDENT—Before I call Senator Cameron, I remind honourable senators that this is his first speech. I, therefore, ask that the usual courtesies be extended to him.

Senator CAMERON (New South Wales) (4.59 pm)—Thank you, Mr President. I congratulate you on your election and I thank the Senate for the opportunity to make my first speech in this place. I acknowledge and pay my respect to the traditional owners of the land on which we meet, the Ngunawal people, their elders past and present. Firstly, I want to acknowledge the work of my predecessor, former senator George Campbell, who served the working people of Australia with dedication, integrity and principle over many years.

I find myself in a truly remarkable situation: a working-class migrant from Scotland who has been given the great honour and privilege of representing the people of New South Wales and the Australian Labor Party in the Senate. I see the challenge for government as that laid down by Franklin Delano Roosevelt on the occasion of his second inaugural address, when he said:

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

Roosevelt knew that trickle-down economics is a flawed approach and that there must be strong and effective government intervention on behalf of the neediest in society. Homelessness, chronic illness, alcoholism, mental illness, old age, bad luck or simply being born in the wrong place means that you face

significant and onerous challenges. Indigenous Australians face all of these problems as a result of systemic exploitation and abuse. The Prime Minister's apology on behalf of the nation was a wonderful moment of huge importance to all Australians. There is much to be done and much more to be done to make good the devastation wrought on Aboriginal Australians since white settlement. We have an obligation to treat disadvantaged Australians as human beings, not as part of an accounting exercise in some flawed economic model dreamt up by the theoreticians. Common decency and compassion must win out over economic theories based on the law of the jungle.

My wife, Elaine, and I and our eldest daughter, Lynn, arrived in Sydney from Scotland in 1973. Like most young migrants, we were full of aspirations and hope. I was also full of trepidation after moving from the land of our birth to a new home and a new life on the other side of the world. We will never forget flying into Sydney and seeing the beautiful Sydney Harbour, the Harbour Bridge and the soon-to-be-opened Opera House. We could not believe the blue skies, the sunshine and the city beaches. For us, it was all a bit surreal.

I was born and raised in the working-class town of Bellshill, just outside of Glasgow. My early memory is of growing up in a prefabricated home known to us as a prefab. We lived in a large council housing scheme where the centre of entertainment was the local football park. Money was in short supply for most families and we had some tough times. But the good memories of my childhood have crowded out the bad memories. A number of football legends were born in Bellshill: Matt Busby of Manchester United, Bill Shankly of Liverpool and Jock Stein of Celtic. They've got to get a Rangers manager in there sooner or later!

Bellshill and surrounding towns also produced some significant political figures. These included Keir Hardie, the founder of the British Labour Party, who lived in Holytown, a stone's throw from Bellshill. Robin Cook, the Secretary of State in the Blair government, was born in Bellshill, and the British High Commissioner to Australia, the Rt Hon. Helen Liddell, comes from Airdrie, a neighbouring town. Scotland continues to make its mark around the world.

Bellshill is a product of the Industrial Revolution where coalmining and the steel and engineering industries dominate. Globalisation, and time and structural change have seen most of the steel and engineering base disappear. I attended Bellshill Academy, where I failed to fulfil much of my potential. This was despite the best efforts, commitment, professionalism and perseverance of my teachers. I was not a particularly good student. I was determined to get out of school as soon as I could. In fact, many of my teachers would have said I was a particularly bad student. I left school at 15 to serve my apprenticeship as a fitter and machinist. Completing my apprenticeship opened up many opportunities, most importantly the opportunity to migrate to Australia with my family.

Not long after completing my apprenticeship, the factory I worked in closed and I was made redundant. Fortunately for me, this was my first and only taste of redundancy. My personal experience with redundancy has helped me understand that workers who lose their jobs are not just another statistic or an 'adjustment problem'. Redundant workers are real people with real feelings. They have commitments to meet and families to care for. They need every bit of support they can get to pick up their lives. Redundancy is an extremely stressful and demeaning time for many workers and their families. Many are

affected physically and psychologically and suffer the consequences for years.

Determined to have a better life for myself and my family, Elaine and I pulled together £10 each to pay for our assisted passage to Australia. It was the best £20 we have ever spent. On many occasions employers have offered to refund my £10 and buy me a one-way ticket back to Scotland. I was never tempted to accept any of those offers. We were extremely fortunate that there was extensive government assistance for migrants in the early seventies. We spent our first 12 months in the Endeavour Migrant Hostel at South Coogee, where advice and support were readily available. Migrants had access to child care, family counselling, English language classes, training and assistance with employment opportunities. Unfortunately, this type of support is not so abundant these days. My personal experience with the exploitation of some workers under the 457 visa scheme has made me committed to fight for increased government and institutional support for new migrant workers in this country.

Our youngest daughter, Fiona, was born in 1975 and not long after that we moved to Muswellbrook in the Hunter Valley, where I was employed by the Electricity Commission as a maintenance fitter at Liddell Power Station. The ad for the job sounded brilliant—a three-bedroom cottage, skiing on the lake, a tranquil country lifestyle. Unfortunately, the reality was much different. We arrived in Muswellbrook to find that we had been allocated a fibro Electricity Commission house which was unfit for human habitation. We were moved to another cottage which was not much better—an absolute disgrace with broken windows and filth everywhere and in a general run-down condition. It was July and it was freezing cold.

We were left to our own devices with a three-year old toddler and a one-month old baby. My complaint to management was met with indifference and left me no option but to pursue decent housing with the union delegates. The local delegates demanded action from the commission. We were so grateful for their support and help in this terrible situation. The industrial relations culture in the Electricity Commission was poisonous, with hard-nosed management facing up to a tough and determined workforce. My union career took off as a result of a determination to stand up for myself and help my mates in the face of a management team schooled in the master-servant relationship. Mateship is such an important element within Australia and in the development of collectivism. A combination of strong individuals operating in the collective interest is a powerful force for the common good. As a rank and file unionist, I was involved in a number of lengthy industrial disputes that placed huge pressure on personal relationships and family finances. I know what it is like not to have enough money to pay the bills. I know what it is like to miss mortgage payments. I know what it is like to depend on the support of other unionists and the community to put food on the table. I know what it is like to have to say no to my kids when I do not have money to give them what they want. This experience has taught me that you must never engage in industrial disputation lightly. The capacity for workers to engage in genuine collective bargaining and industrial action in defence of their wages and conditions or in support of their work mates is an internationally recognised human right and must be enshrined in legislation in this country. We must have real collective bargaining, not collective begging.

My family and I made some wonderful friendships in Muswellbrook with people like the late Noel and June Davies, our next-

door neighbours for almost a decade, who treated us like their family. They were a huge help to us when we settled in Muswellbrook. This was our first taste of country Australian hospitality and friendship. My two girls were educated in Muswellbrook and at St Clair High School in the western suburbs of Sydney. I want to thank the teachers of the public education system for giving my girls a great educational base which eventually saw both of them with degrees, one in communications and the other in law. Both of my girls have successful careers, and it was the public education system and the teachers at Muswellbrook and St Clair who were invaluable in preparing them for their careers. Ensuring that public education gets a fair go is fundamental to a modern, internationally competitive economy. Without a well-funded public education system that has modern facilities and talented teachers, our goal of an education revolution will fail.

Public school infrastructure has been sacrificed on the altar of economic rationalism for too long. Many of the problems that we face are due to the lack of modern educational infrastructure, not just computers but school buildings, libraries, sporting facilities and those facilities that make school somewhere that children really want to go. Carrots and sticks and penal provisions will mean nothing unless there is a national program to rehabilitate and modernise our public and poorer private schools. We must move to a needs based system where resources are put where they are needed. Transferring funds from the public system to the private system strikes at the heart of a society based on fairness and social justice. We must make the education pie a lot bigger. For too long our public school teachers and their unions have been demonised for short-term political gain. Teachers have demonstrated their support for their union. They want a collective voice, and we should hear that voice. We must have

genuine engagement with teachers and their union. Building a world-class public education system that values teachers and provides parents with as much information as possible should not be beyond our political capacity.

After seven years in the power industry, I was elected as the AMWU organiser for the Hunter Valley/New England region. As the local union organiser I travelled extensively to towns like Barraba, Tamworth, Inverell, Wee Waa, Narrabri, Moree, Coonabarabran and Tenterfield. My 11 years in country New South Wales did not qualify me for cow cocky status, but what it did was open my eyes to the struggles of country life. This has been made much tougher by climate change. I found the bush a great place to work and I met some fantastic people. I am really pleased to renew my relationship with the New England region as a Labor duty senator. I am convinced that my time in the bush perfected my Aussie accent! Fair dinkum!

In 1986 we moved back to Sydney and I took up the position of assistant state secretary in the New South Wales branch of the AMWU. This was a period of significant change in the manufacturing industry, with many companies realising that they could not survive by simply focusing on the domestic market. There was also a realisation that to be internationally competitive companies had to develop business plans and strategies to improve their productive performance. The AMWU determined to campaign not only on industrial issues but on the need to improve the productive performance, quality and on-time delivery of the industry. Following my election as assistant national secretary, I was involved in a number of significant initiatives designed to assist companies and unions to implement international best practice in workplaces. My time on the Australian Manufacturing Council and the Australian Best Practice Program along with businesspeople like Dick Warburton rein-

forced my view that improving the productive performance of our economy was essential in the face of increasing globalisation. My union, the AMWU, recognises the importance of workplace productivity, product quality, on-time delivery and the introduction of new technology. It is an absolute tragedy that, following the initial period of focusing on sophisticated workplace change programs, changes to the industrial system forced workers onto the defensive and many employers took the easy way out by focusing on short-term cost cutting and absolute management prerogative.

I want to turn briefly to the Australian Building and Construction Commission. The building industry is a tough sector to work in. I spent seven years with responsibility for some of the biggest construction projects in the country. At no time did I detect any entrenched corruption, or violence or intimidation on the part of trade unions or their members. I note that the Cole royal commission also failed to detect any of these things. Building and construction workers swear; they can be uncouth and they are tough, but they are ordinary Australians doing a tough job in what can be extremely trying conditions. I have also met many foul-mouthed, uncouth and tough building employers; it is the nature of the industry. It has been like that for a century and it will be like that in the future.

I have never condoned corruption, violence or intimidation in any walk of life. My stand on this is on the public record. My family and I paid a heavy price when I moved to stamp out any perception of unacceptable conduct within my own union. I was the victim of two vicious assaults and my life was threatened. Following advice from the police and security professionals, Elaine and I were forced to move house and relocate to a more secure home. This was an unprecedented situation, but it was not part

of any systemic violence or corruption in the industry or my union. Suggestions to the contrary are merely caricatures.

The ABCC and its powers are antidemocratic and breach the obligations Australia has given voluntarily under International Labour Organisation conventions. It is unacceptable that rank and file union members and their officials can be dragged before a star chamber, interrogated, humiliated and face six months jail for undertaking union activities, which are universally recognised as basic human rights. Australian workers must not face jail for participating in basic trade union activity, the type of activity which is legal in democratic countries around the world. The ABCC is an affront to Australian democracy and 2010 cannot come quickly enough. We will then see the end of this secretive throwback to the days of penal powers and the suppression of workers' rights. In the meantime, I am committed to making inquiries in the Senate, in the party room and with ordinary workers into the operation of the ABCC. A light must be shone on this organisation to ensure that it operates in a manner consistent with basic Australian values and Australia's treaty obligations under ILO conventions.

I hope my time in the Senate will allow me to contribute to building a good society, a better society, a sustainable society and a society that stands out as a beacon of democracy and equality to the rest of the world. I want a society that is underpinned by social democracy and human dignity. I want a society based on liberty and the protection of the weak against the powerful. I want a society that values peace and diplomacy over war and aggression.

At this point, I want to acknowledge the members of the great Australian trade union movement, especially the tens of thousands of rank and file delegates who play a leader-

ship role in defending and promoting workers' rights in workplaces around the country. It has been an honour and privilege to represent Australian workers as a rank and file delegate and as a full-time union official. The fight for decent wages and conditions, dignity at work, equity and justice is a fight that I will continue on behalf of working people.

I particularly want to acknowledge and thank the members, staff and officials of the AMWU for their support. The AMWU is a great Australian union. It has been at the forefront of the campaigns to advance the wages and conditions and democratic rights of working class Australians. The AMWU has always recognised the importance of the political process to the wellbeing of its members and the wider Australian community. Issues such as peace, taxation, environmental sustainability, fair trade, health and education are only some of the issues the trade union movement must continue to engage in on behalf of its members. To AMWU members I say: Thank you for the support you have given me. For all working people, while I am in the Senate your struggles will be my struggles. I will be a voice on key issues that affect you, your families and your communities.

I want to acknowledge and thank the members and officers of the Australian Labor Party for their support and for their determination to build a better Australia. We now have an opportunity to restore a proper balance between the market and society. As the economic debate goes on, we must never forget that markets are a tool. They are a means to an end. Markets can help deliver prosperity, security and equity. They are not an end in themselves. The goals of markets are narrow; they are concerned with material wellbeing. On their own they cannot deliver broader goals of social justice. When markets fail to carry out their basic functions or

threaten basic values of social justice and democracy, it is up to us to intervene. I do not believe there are market solutions to market failure.

With this in mind, and with the planet-threatening challenge of global warming, it can be all too easy to become negative and despondent. I am an optimist. I must be because my children and grandchildren will be around for a long time after I am gone and they will face the reality of our action or inaction. We must build for them a strong and internationally competitive Australia based on social democratic values—a society of environmental sustainability and of peace, tolerance and opportunity. This requires a new social contract between government, business, workers and the public. It will require us to meet the challenges of environmental sustainability by building the new industries based on renewable energy technologies. Manufacturing industries based on solar thermal power, solar photovoltaic energy, wind, biomass, geothermal energy, wave energy and tidal energy are only some of the emerging technologies that we must develop as our industries of the future.

I am so pleased that the AMWU has continued to take a long-term and progressive approach to the issue of global warming. Recognising the inevitability of structural change is sometimes very difficult, and the AMWU's recent decision to use the challenge of climate change as an opportunity to build new industries and new jobs is courageous and commendable.

In closing, I want to thank a number of friends who have been of invaluable assistance to me. Bob Adamson, my friend and mentor, thank you. Gene Cooney, one of my delegates at Liddell Power Station, thank you for your help and friendship over many years. Julius Roe, one of the most talented and hardworking unionists in the country and

one of the best friends anyone could have, thank you. Dave Oliver, AMWU National Secretary, good luck in one of the best jobs in the country. Paul Bastian and the AMWU state secretaries, thank you for your support and comradeship.

To Bill Kelty, one of the most influential trade unionists ever: thank you for your words of support. Laurie Carmichael, a legend of the trade union movement and still an inspirational friend and adviser, thank you. To Jeff Lawrence, Sharan Burrow and the staff of the ACTU: thank you. To Greg Combet: thank you for your support and friendship. To my excellent staff: thank you. To my friends who are here—Albo, Jenny and the rest of you: thank you.

To my family: I love you all so very much. Thank you for the sacrifices you have made on my behalf. Lynn and Rick, Fiona and Perry, thank you for being such a great family. To my two beautiful grandchildren, Amy and Scott: you are wonderful and fill my life with joy. To my darling wife, Elaine: life with me is never easy. Without your love, understanding and support my journey would have been so much harder; in fact, it would have been impossible. And to the Australian nation I am forever indebted.

FIRST SPEECH

The PRESIDENT—Before I call Senator Hanson-Young, I remind honourable senators that this is her first speech. I, therefore, ask that the usual courtesies be extended to her.

Senator HANSON-YOUNG (South Australia) (5.26 pm)—Thank you, Mr President. It is a great honour to be standing here today, not just in this remarkable place that is the Senate but at a time when the challenges that we face as a country and the decisions that we will make as representatives are more important than ever in determining the destiny of future generations.

Today is the first day of spring, a day when we pull back the curtains and let the sun shine in after months of grey. May this spring mark the beginning of a new phase in Australia's history where fresh ideas and innovation are actively sourced and debated in an attempt to find solutions to our biggest challenge of all: balancing human needs with our finite and fragile environment. May this, the first day of spring, mark the time when we as Australians shake off those cobwebs of cynicism and distrust. It is a time to bring out the broom and sweep up the mess left after years of inaction, mindless consumerism and self-perpetuating fear.

The reality is, in our rapidly growing world, that the human impact on the earth is compounding to a point of no return and the gap between the world's richest and the world's poorest is getting wider. We have been taught, against our better judgement, to fear our neighbours for no other reason than that we do not know them. Can we not see that this is a world that is not sustainable? We need a transformation and a willingness to do things differently. We need to intervene and to change 'business as usual'—to change from business as usual to a country where we can take responsibility for our impact on the global effects of climate change; to change from business as usual to a community where those who are most vulnerable do not carry the burden for those more prosperous; and to change from business as usual to a parliament that is engaged with all sectors of the community and where as representatives we offer true leadership, with the compassion and honesty that our constituents so rightly deserve and expect.

I am humbled to have been elected by the people of South Australia, who have put their trust in me. I promise to work hard for a change in the legislative agenda from one of vested interests and short-term gain to an agenda focused on community, long-term

sustainability and the health of our children and our environment. I am honoured that the Australian Greens' members and supporters have believed in me and have practised what we preach: a new, fresh style of politics, which has given a voice to a generation who will live long into this century and experience all that it brings.

Mr President, I do not come from a family with a history in politics. There are no streets named after my grandparents and there was never an expectation that a political career was something to which I should aspire. But I do come from a family who are passionate about the world they live in, and from parents who have always been engaged and active in their local community. I grew up in the bush—I am a kid from the bush—and, through that, I have an innate understanding that the health of our environment is connected to the health of our community. My parents, who are here today, have taught me to always stand up for what I believe in, but also to accept that not everyone will think what I think or believe in what I say, and that in order to bring people with you it is important to find a common point of understanding and respect. Mum and Dad: I am sure they are lessons that will become very useful in this place.

Despite always being an active member of my school and my town, I never thought that one day I would be standing in this chamber giving my first speech. As a kid there seemed very little to believe in when it came to politicians and their parties. Most of it seemed much like what I witnessed in the schoolyard—games and tricks played among those who sought power and privilege. So even though aspects of representing my community appealed to me I never wanted to become what I saw as a stereotypical politician.

I aspired to do and to be something quite different from that. I aspire to a change to

'business as usual'—a change that would see all types of people represented in our parliaments, a change to the way our representatives engage with their electors and a change so that Australians and Australia would honour and believe in our remarkable system of democracy. We should feel a sense of pride. We should all feel empowered that this is our parliament, where the individuals trusted to make decisions on behalf of society will do so in the best interest of the community rather than pandering to big business or corporations. What do I mean by community? I mean the people and the environment in which they live. These are still things I aspire to and things I will strive for inside and outside this chamber.

I stand here today as a young woman and there is something I would like to speak about just for a moment. We are now more than a century into our country's parliamentary history, yet the number of women in politics is far outweighed by the number of men. If our parliament's role is to lead our progression as a community we must find ways of ensuring a more balanced participation of women in our political processes. There are many reasons for this gender imbalance and none is more stifling than the structures and culture of our political institutions themselves. One may argue that this is simply a reflection of our society, where women and girls still have to fight for equal treatment and recognition in the workplace, and where the extra roles women play in life are simply taken for granted rather than supported and celebrated.

Women and their families are too often caught between the mounting pressure of workplace participation and the care of children. Is it not time for a shift in the way we value the role of parenting and for us to support the needs of families within our workplaces, our communities and even our parliament? Australia lags behind the rest of the

world in being one of only two developed countries without paid maternity leave. It is time that Australia introduced a government funded, paid parental leave system to support our mums and dads and their kids. It is time for the government to recognise the crucial role that parents play in ensuring we have a healthy and happy next generation and that we support this role. Paid parental leave will give our kids the best start to life. It is an investment for the future too precious to ignore.

So how did I, as a young mother, start my journey to Canberra? The tipping point for me was the way our country so poorly treated refugees and asylum seekers. I was appalled that here in the land of a fair go we punished and violated those people who needed our protection and safety. I still shiver when I remember the images of children with their lips sewn together, who, in desperation for understanding and help, had no other means of communication but the mutilation of their own bodies. I was disgusted that our government was perpetrating the fear of innocent children in the display of political might. A strong sense of rage fuelled me to take action and I felt compelled to join the Australian Greens, who had stood strongly against the disgrace that was the *Tampa*. Some parties used the *Tampa* to score political points but the Greens knew that was wrong.

Now, several years later, we are starting to see some positive changes and for that I do give credit. But we cannot simply turn over that ugly page of Australia's history or close our eyes to the lifelong effects of being locked up behind razor wire. The psychological harm of long-term detention, particularly when it comes to children, must not be swept under the carpet. We must face the fact that these children were denied a safe, healthy and joyful childhood—an opportunity that we would expect as a given for our

own children. We must admit that this was a mistake that should never, ever happen again. We must make due compensation and provide support for those who have been wrongly treated.

I also stand here today at the age of 26 well aware that I am the youngest person elected to this place. This is a responsibility I relish and in which I take great pride. Younger Australians must be active in shaping our country and its fortunes. A senior journalist said something to me recently that made me realise how important as a young person my role in parliament is. He said, 'I don't mind if 20-somethings have jobs; I just don't think they should be running the country.' Is that not an example of the barriers placed in front of young people and the barriers placed in front of young women? Can I just point out that it is a statement I utterly reject. I have great delight that the voters do not share the same view as that senior journalist. Young people have a wonderful ability to effect social and environmental change by providing new ideas and creative solutions. It is young people who must champion these solutions to see them succeed in the long term.

Just as the first day of spring brings with it the hope of a fresh new season I hope I can contribute to fresh thinking and innovation, particularly from young people who want to forge their own paths in helping to address the challenges of climate change and the need for us to shift from business as usual. At the last election, South Australia voted in its very first Greens senator. Perhaps this was because for far too long the environment has languished at the bottom of the political agenda even though ordinary people consistently put environmental issues at the top of their concerns. This is yet another area in which we must challenge business as usual. We need a fresh approach and an understanding that the decisions we make today will

impact on the future of our communities, the sustainability of our environment and the lives of our children and our grandchildren. Simply put, this is what the Greens stand for.

Today is the first day of spring and hopefully with it will come the spring rains, which are much needed for the many parched regions across the country, particularly in my home state of South Australia. The current crisis facing the River Murray is a tragic example of how we must better understand and respect the vital balance between the environment and the economy. Praying for rain will not solve the mess created by human mismanagement. Overallocation of water use spanning decades has left the once mighty Murray dying of thirst. How fitting that as I draw to a close I am thinking about the Coorong, at the end of the Murray. This beautiful lagoon is of deep significance to the Ngarrindjeri people and cherished by South Australians as *Storm Boy* country. Without urgent action, all of this could fade away into history as the Murray's freshwater flows no longer reach its mouth.

Finally, I just want to reiterate why I am standing up here today as the youngest woman ever elected to this place and the youngest person elected in almost a century. I am standing up for the young people of Australia and for generations to come. I am standing up to say, 'Let's challenge "business as usual".' I am standing up for the rural community in which I grew up—and hundreds of others like it. I am standing up for women, especially young women in Australia, and saying, 'We too have a right to be heard.' I am standing up and saying that we need to build an Australia based on caring for those less privileged in our society, like the refugees and the asylum seekers that so deeply affected me. I stand up to recognise that Australia can make the transition from a resource-dependent economy to a clean, green and clever economy that puts respect

for each other and respect for the environment at the centre of politics. I am standing here today, standing up for the Murray and the precious Coorong.

In order to achieve a change from 'business as usual', we must accept that there is an inseparable connection between the way we treat our environment and the way we treat each other. We must accept that there is a connection between how we share the earth's resources between nations, how we share the environment with the creatures that depend upon it and how we value the health and security of our communities.

As a mother I feel a profound responsibility to ensure my actions and my decisions take into account my daughter's future. I feel deeply that I must work for a cleaner, greener and more secure planet. I have no other choice but to ensure that I work as hard as I can to help make my local community and my global community a safer, fairer and prosperous place. That is my job as a mother and now it is my job as a senator. Thank you.

FIRST SPEECH

The PRESIDENT—Before I call Senator Feeney, I remind honourable senators that this is his first speech. I, therefore, ask that the usual courtesies be extended to him.

Senator FEENEY (Victoria) (5.42 pm)—It is a great pleasure to rise for the first time in this place as a senator for Victoria. Mr President, I take this opportunity to congratulate you on your elevation to your new position. I am sure that your wisdom and experience will be appreciated by all honourable senators over the course of this parliament. As I have now known you for several years, you may rest assured that I will draw upon that bank of wisdom and experience as often as I am permitted.

In considering the extraordinary honour and privilege that has been bestowed upon me in representing the state of Victoria in

this place, I am reminded of the words of Sir Isaac Newton: 'If I have seen farther, it is by standing on the shoulders of giants.' I do not agree with everything or, indeed, many things that John Howard said but there is one aspect on which I do. He said:

... I never forget what I owe to the Liberal Party any more than anybody on the other side should ever forget what they owe to the Labor Party ... I despise those people who throw dirt in the faces of the people who brought them into public prominence.

Hear, hear! I am only here because of the trust and faith placed in me by the Australian Labor Party, its members and affiliated unions and, most importantly, its millions of supporters in Victoria. I serve at their pleasure.

It is only natural for me, upon finding myself in this place, to reflect upon the personal journey that has brought me here—on the principles and beliefs that have motivated and guided me and on the reservoirs of support, friendship and love that have sustained me. Mother Teresa said, 'Love begins at home,' and for me that has always been true. My parents, Margaret and Ian Feeney, separated when I was young, and as each happily remarried—to Basil Varghese and Lynn Feeney respectively—I was spoilt and blessed with four loving parents. I am delighted that my grandparents George and Joyce Ringer are here today. My grandfather served his country in World War II, and together my grandparents raised an extraordinary family. Basil and his family have always welcomed me into their hearts, and I am proud to be the 'white sheep' of the Varghese family.

While none of my family have been hitherto involved in formal politics, I can assure the house they are all intensely political. I have always understood that, if I could survive a family discussion concerning politics, religion or civil society, I might—just

might—survive in the ALP. The values that have led me to this place were instilled in me by a loving home, a loving family and, of course, my own experiences. I enjoyed a terrific education at Mercedes College in Adelaide during the 1970s and early 1980s. It was a different era, an era when Malcolm Fraser voted Liberal!

I joined the ALP quite by chance. A great friend of mine, George Karzis, encouraged me to join the Labor Club during the 1988 O Week at Adelaide university. I joined every club in which I had a remote interest, but again and again I found it was the Labor Club that most fascinated me. I joined the ALP itself, and the first campaign I worked on was the Adelaide by-election in 1988—when I might say the party fielded a first-class candidate in Don Farrell. I had always been an ALP supporter, and at university I became an ALP activist. Indeed, at Melbourne university I came to believe that my studies were an irritating distraction from my far more important political activity! I only appreciated later, during my postgraduate studies, that in fact my time at university was a precious educational opportunity. I am reminded of the saying, ‘Youth is wasted on the young.’ I made many lifelong friends while I was at university, and many of them have remained active in politics and important people in my life. I am thrilled to find several of them serving with me in the Rudd Labor government, including Richard Marles, Stephen Conroy and Michael Danby.

The values that led me to the ALP and guided me in my political life have been a belief in justice, equality of opportunity for all men and women, the fundamental human rights of us all and the need to eliminate discrimination wherever it is found, whether it be discrimination based on race, gender, sexuality, religion or belief. While I have remained a dedicated supporter of the pragmatic wing of the ALP, let no-one imagine

that I lack a passion for change. In supporting my values, and the values of the ALP, I strive to make change a friend and not an enemy. As everyone here by now is aware, change is the new commodity in politics. I do believe that when we change the government we change the country. While effective change in Australia is always a practical and prudent path, the election of the Rudd Labor government has changed the trajectory of our nation. I embrace that change and the opportunities now found in this new national trajectory.

I spent five years of my life as a federal industrial officer of the Transport Workers Union of Australia. In its members, in its history and traditions and in its delegates and officials, the TWU is a truly magnificent institution. In serving the members of the TWU, I was afforded a unique opportunity. I would like to pay tribute to the men who placed their trust in me and with whom I worked: then Federal Secretary John Allan, then Federal President Steve Hutchins, Alex Gallacher, Craig Shannon, Tony Sheldon and particularly the officials of the Victorian TWU, Bill Noonan and Wayne Mader. I am honoured that Howard and Felicity Smith are here today.

The Australian union movement endured a lot of stick from those opposite over the past 11 years, but unions remain a strong force for fairness and justice in our civil society. Prime Minister John Howard made it his life’s work to destroy the unions, just as Stanley Bruce did in the 1920s. Both of those gentlemen finished up losing their seats and the trade union movement has survived. I believe the great majority of Australians, including those who do not belong to a union, nonetheless know the unions stand for working Australians and their families and for the defence of their jobs, their rights at work and their standards of living. I have enjoyed the support of senior union leaders

during my career, as both a union and a party official, and I would like to acknowledge them: Jeff Jackson and Kathy Jackson of the Health Services Union; Bill Shorten, Cesar Melhem, Michael Borowick, Paul Howes, David Cragg, Michael Eagles, Bob Smith, Dick Gray and Ben Davis of the AWU; Michael Donovan of the SDA; and Russell Atwood of the ASU. I would like to thank the members and officials of those unions as well—that is, those people who make possible their work, who sustain and are sustained by that work. I am reminded of Lily Coy, life member of the Health Services Union.

For me, the values of justice and equality are paramount. Christ says, at Matthew 25:40, 'In so far as you did this to one of the least of these brothers of mine, you did it to me.' A major challenge facing the Rudd government will be reversing the drift towards greater inequality that characterised the 11 years of the Howard government. The gap between high-income earners and low-income earners is steadily widening and steadily worsening. I am not an old-fashioned socialist. I do not want to see everyone having the same income or enjoying the same standard of living. Our system recognises and rewards enterprise, and that is a good thing. I do not believe in equality of outcome, but I do believe in equality of opportunity. The stability and health of our magnificent society depends upon the maintenance of the principle of equality of opportunity. I do not want to see Australia move any further towards a society in which we have a small class of super rich and a large class of struggling battlers who can never hope for a higher standard of living for themselves or their children. I want to see an Australia in which good health care, higher education, homeownership and a secure retirement are all within the reach of every Australian.

All those things became harder for many Australians to attain during the years of the Howard government. Between 1996 and 2006, for example, the proportion of Australians who owned their own home fell from 41 to 33 per cent and the proportion of median family income that homebuyers were paying on their mortgages rose from 28 to 37 per cent. Today fewer Australians can afford to buy their own homes and more Australians have gone deeper into debt trying to do so. Indeed, our slide into becoming a nation of debtors is striking. We must not become a nation of wage slaves. During the Howard years debt as a percentage of income rose to 160 per cent, so the average Australian now has debts amounting to 1.6 years of their total income. The household savings ratio fell to 0.2 per cent, meaning that Australians are now saving virtually nothing. It is all going into consumption, usually financed by debt. And, as we are seeing in the US at present, this is a recipe for disaster in the long run.

In education we have seen the stalling of the remarkable progress made during the Hawke-Keating years. Under Hawke and Keating, thanks to Labor's needs based school funding policy school retention rates to year 12 rose sharply. Under Howard that rate stagnated. The proportion of Australians in tertiary education rose from eight per cent in 1983 to 12 per cent in 1996. And it is still 12 per cent today, thanks to cuts in university funding and mounting HECS debts. Our universities have been forced to become commercial operations and they have pursued fee-paying overseas students at the expense of Australian school leavers.

In health we need to end the scandal of three billion tax dollars a year being handed over to the private insurance industry—a handout that has done nothing to reduce the pressure on our public hospitals. For all this vast subsidy, the proportion of Australians

who have private health cover rose during the Howard years only from 34 to 44 per cent. And most of the new purchasers were well-off people who bought a cheap policy to avoid the government's tax surcharge. That is to say, the private health insurance industry has been grown with conscripts not volunteers.

I have always been an admirer of Chaim Herzog, the sixth President of Israel. He was born—like my father—in Belfast and was a founder of the Israeli Labour Party. In addressing the UN, to denounce the two great evils which menace society in general, Chaim said:

I come here to denounce the two great evils which menace society in general and a society of nations in particular. These two great evils are hatred and ignorance.

I hope to make a contribution to the best of my ability in that struggle against hatred and ignorance. The spectre of racism and an irrational fear of the 'other' has from time to time haunted our country. Such a fear was unleashed in this country in recent years, damaging our civil society and the psyche of our nation. I hope we may now work together on Australia's new trajectory and seek peace, reconciliation and tolerance.

It is my ambition to be an effective legislator. The Senate does have a distinct collegiate culture and I hope that through intelligent and proper use of our Senate committee system we will play our proper role. I happen to believe in bicameralism, although I can well understand why so many people called for the Senate's abolition after the abuse of its powers in 1975. If we are to have an upper house, it can only justify its existence by being a genuine house of review. It cannot become a house of obstruction, as it was in 1975, nor can it be a mere rubber stamp for the government of the day as it has been over the past three years. We must hold govern-

ments to account but we must not thwart the right of the majority in the House of Representatives to govern. So it is alarming and disappointing to see that those opposite are now treading the same dangerous path their predecessors trod in 1974 and 1975, threatening the integrity of the Labor government's first budget by blocking important measures such as the tax on luxury cars. As in 1974, a weak opposition leader is propping up his leadership with cynical, short-term populism.

I am very proud to be a Victorian. We are a federation and despite the centralising trends of recent times, the states retain their individual identities and their differing points of view. I was elected as a senator for Victoria and, within the context of my loyalty to my party and my loyalty to the Rudd government, I intend to speak up for Victoria's interests when I believe it is right and proper to do so.

In the last decade Victoria has enjoyed strong growth and strong prosperity, and I pay tribute to Premiers Steve Bracks and John Brumby and their first-class governments. Melbourne is today a thriving, confident, cosmopolitan city. Rural and regional Victoria is thriving, with new infrastructure and investment. Notwithstanding the challenges, Victoria's resurgence is the fruit of the enterprise of its people, Victorian companies and entrepreneurs, Victorian schools and universities, Victorian communities, Victorian workers and Victorian unions.

Victoria remains Australia's manufacturing heartland, and I believe that it is now emerging as Australia's cultural, intellectual and educational heartland as well. It is striking that Victoria has achieved this recovery in the face of continuing economic discrimination by the Commonwealth in the distribution of grants. For decades Victoria, and to a lesser extent New South Wales, have been

subsidising the other states and territories. For every dollar raised by the GST in Victoria, only 91c comes back to Victoria as Commonwealth grants. That is, Victorian taxpayers contribute \$1 billion a year to the budgets of the other states and territories so that they may cut their taxes and lure businesses and jobs away from Victoria. And the remarkable thing is that this arrangement was set in stone while a Victorian served as Australia's federal Treasurer.

I know I come here with something of a reputation as a Labor machine man. I make no apologies for that. In serving as the ALP campaign director in Victoria and South Australia and as the deputy national campaign director last year, I have made a contribution towards getting Labor governments elected and re-elected. I would like to pay tribute to the men and women of the ALP, its members and officials, upon whom I have so often depended. I would like to particularly thank Steve Bracks, Mike Rann, Tim Pallas, Sharon McCrohan, Tim Gartrell, Elias Hallaj, Nick Reece, Tom Cargill, Robin Scott, the officials of the South Australian and Victorian branches of the ALP, and the National Secretariat of the ALP. Party officials are a dedicated and talented class in Australian politics on all sides. They endure much in the hope that they may achieve much. I am proud to have been one of them.

I would also like to thank my staff who, like me, have enjoyed the whirlwind since 1 July and upon whom I have come to rely with confidence: Stephen Donnelly, Dr Adam Carr, Amanda Boyd and Lambros Tapinos. Finally, I would like to acknowledge my wife, Liberty Sanger. Marrying her remains the single greatest honour ever bestowed upon me. And it will ever be thus.

AUSTRALIAN DEFENCE FORCE PARLIAMENTARY PROGRAM

Senator ADAMS (Western Australia) (6.02 pm)—by leave—It gives me great pleasure this evening to speak about the Australian Defence Force Parliamentary Program, which gives senators and members the opportunity to join in the activities of the Defence Force through a number of programs. It also gives members of the Defence Force an opportunity to take part in an exchange parliamentary program. The Australian Defence Force Parliamentary Program began in 2001 and to date 80 members of parliament have had firsthand experiences of the challenges of service life as well as the opportunity to gain an understanding of how government policy actually works in practice.

This year 34 participants—the most we have ever had—will take part in an amazing range of programs and activities. New program options for this year include time with the *Young Endeavour*, the Australian Defence Force Academy Border Protection Command in the Torres Strait. I was very lucky to be chosen to take part in that. I am extremely pleased that Lieutenant Commander Aaron Nye has been able to take part in the exchange program that is being hosted by Senator David Bushby. We have also had two rotations to Operation Catalyst in the Middle East, involving eight of our parliamentarians going to the Middle East.

This evening I would like to speak about the Australian Defence Force Parliamentary Exchange Program, which is taking place in Parliament House this week. Fifteen members of the Defence Force are being hosted by senators and members to give them an insight into, and a greater understanding of, the way in which our members of parliament undertake their duties. Those participants from the Navy are Commander Glen Ker,

Commander Andrew Schroder, Lieutenant Commander Kirk Hayden, Lieutenant Commander Aaron Nye and Lieutenant Commander Elizabeth Mulder. Those from the Army include Major James Cook, who I am delighted to be able to host, and he is here in the chamber with me this evening. Major Cook is the commanding officer of Centre Squadron, NORFORCE. Three members of parliament—Nola Marino, Chris Hayes and I—spent five days with NORFORCE at Alice Springs earlier in the year. We also have Warrant Officer 2 Alan Bungate, Corporal Colin Donnell and Sapper Joel Franks. Those from the Air Force are Squadron Leader John Cotterell, Squadron Leader Jeff Howard, Flight Lieutenant Toby Peach, Flying Officer Belinda Johnson and Sergeant Colin Hull. In closing, I would like to wish all these people well in their week with us. I hope that both the participants and the hosts enjoy their time together.

Senator HURLEY (South Australia) (6.06 pm)—by leave—I am pleased to support Senator Adams in congratulating members of the Defence Force on the running of the Australian Defence Force Parliamentary Program. Senator Adams is a strong supporter in the Senate of participation in this program. I have been very pleased to participate in it myself and I know that many of my colleagues also have been pleased to participate. I know that all of us have had a great deal of value from the program. It is wonderful to see the commitment and professionalism of members of our Defence Force. I suppose we hear about it all the time and we see, in operations both here in Australia and overseas, the success of their endeavours. But after spending time with them day after day and watching them go about their ordinary, everyday work I feel that it is very satisfying that we have such high-calibre people in our defence forces. They are right through the

ranks and in every role that is performed so well.

It is also good to have members of the Defence Force come and see us in operation here in our parliament. I am very happy that the program has been so successful this year. I think it is a very important program to continue. I believe it was started because it was felt that members of parliament did not have the same contact with the defence forces that occurred when we were closer to the Second World War when many members of parliament were actually serving Defence Force members. Although I think many of us have some connection with the Defence Force—relatives or close friends who are part of the defence forces—there is probably no substitute for being a member of the Defence Force. At least we did have the opportunity for a short time to be alongside them as they worked to see how they operate. I congratulate everyone involved in the program and I can assure you that my medal of participation sits proudly in my office.

**TAX LAWS AMENDMENT (2008
MEASURES No. 3) BILL 2008**

Second Reading

Debate resumed.

Senator JOYCE (Queensland) (6.09 pm)—Both schedules of the Tax Laws Amendment (2008 Measures No. 3) Bill 2008 have been dealt with by the Senate. This is just a brief statement to say that what we are seeing here with the McNeil case, which is schedule 1 of TLAB 3, is basically the returning of the legislation to its original intent. A brief synopsis of the McNeil case is that it changed the nature of rights issues potentially from one of capital to one of income and, as such, could have created immense uncertainty in how people would participate in such things as rights and options.

The McNeil case was agreed by the coalition last year. The consequence of that case

meant that legislation should go before the parliament to return the legislation to its original intent. There are some concerns with regard to drafting and whether, as a consequence of the drafting, there still may be some inadequacies. We wait to see how that will work its way through, but certainly through the Senate inquiry there was a consensus between all involved that there should be a change back to the original intent.

The McNeil case is schedule 1. Schedule 2 relates to another case, being the KAP Motors case. KAP Motors dealt with the consequences of the refund of GST and other overpayments of certain taxes. The consequence of the KAP Motors case, which is noted in schedule 2, implied that overpayment of GST does not need to be reimbursed to the customer before it can be claimed back from the Commissioner of Taxation. Obviously getting something back from the Australian Taxation Office before you have paid it back to the person with whom you were involved goes against the intention of the legislation. Schedule 2 once more returns this legislation to its original intent.

I think that both schedules still have some drafting issues. I think there is a consensus about what we are trying to do here. TLAB 3 is one piece of legislation that should be supported throughout this chamber. However, it will be different, I suspect, from what the Senate may consider with regard to TLAB 4; there are some serious concerns about the structure of that piece of legislation. I will close on that.

I will also briefly say that I commend those involved in the defence forces. I also thank them for allowing us to intrude on their schedule, as we have through the Australian Defence Force Parliamentary Program. Having done a bit of military service myself, I was thrilled to go back and do weapons drill and to start marching again.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy) (6.13 pm)—Thank you, Senator Joyce, that explains many things. I would like to thank senators who have taken part in the debate on the Tax Laws Amendment (2008 Measures No. 3) Bill 2008. Schedule 1 to this bill will overcome the impact of the decision of the High Court of Australia in *Commissioner of Taxation v McNeil*. The amendments will restore the longstanding tax treatment of rights issued by companies or unit trusts to existing members to acquire additional memberships. As a result of these amendments, no amount will be included in the assessable income of a member as a result of acquiring certain rights issued by company or unit trust. In addition, if an amount is included in the assessable income of a member as a result of acquiring rights issued by a company to dispose of shares, this will be reflected in the capital gains tax cost base of the rights.

Schedule 2 corrects a deficiency in the GST refund restriction provisions. The decision of the Federal Court in *KAP Motors* highlighted anomalies in the operation of the restriction on refunds of GST, and the application of the four-year time limit for payments and refunds of indirect tax. As a result of this decision, taxpayers are entitled to obtain refunds where GST has been charged but it is later determined that a transaction was not a supplier for GST purposes. This is not consistent with the intended policy intent of the refund restriction.

This measure ensures that businesses are not entitled to obtain a refund unless they have satisfied the Commissioner of Taxation that they have reimbursed their customers. This ensures that businesses are not enriched when the economic incidence of the GST has fallen on their customer. It also ensures that there will be no entitlements to refunds in relation to transactions between businesses.

In these transactions there will generally be no GST borne, as the purchaser will generally be eligible to obtain an input tax credit. This decision also highlighted that certain payments and refunds of GST could be made outside the intended four-year time limit on claims. The amendments provide that a consistent four-year time limit will now apply to payments and refunds of indirect tax. This brings the operation of the time limits back in line with their intended operation. The amendments apply from 1 July 2008. The amendments in this bill help to restore fairness to the tax system and contribute to funding the government's key priorities for the future. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Bill passed through its remaining stages without amendment or debate.

BUSINESS

Rearrangement

Senator CONROY (Victoria—Deputy Leader of the Government in the Senate) (6.16 pm)—I move:

That government business order of the day no. 3 (National Greenhouse and Energy Reporting Amendment Bill 2008) be postponed till the next day of sitting.

Question agreed to.

TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) AMENDMENT BILL 2008

Second Reading

Debate resumed from 16 June, on motion by **Senator Faulkner**:

That these bills be now read a second time.

Senator ABETZ (Tasmania) (6.17 pm)—Madam Acting Deputy President Fierravanti-Wells, I think this is the first time that I appear before you in your new role as an acting deputy president. I congratulate you on that appointment and wish you well in your task.

The ACTING DEPUTY PRESIDENT (Senator Fierravanti-Wells)—Thank you.

Senator ABETZ—The opposition opposes this tax grab. We oppose it for one simple reason: it is bad policy. As an opposition we oppose tax increases. We are the party for lower taxation, but apart from that fundamental principle this particular proposal is punitive and counterproductive to the stated aims of this tax grab. We were told this tax grab was needed to fight inflation. To oppose this is, according to the economic illiterates in Labor opposite, tantamount to economic vandalism. Let us analyse that assertion. I must say that tax increases to fight inflation is an interesting proposition. I thought price rises, which are necessitated by tax increases, were in themselves inflationary. Indeed, Labor senators in their majority report on this group of four bills—the Tax Laws Amendment (Luxury Car Tax) Bill 2008, A New Tax System (Luxury Car Tax Imposition—Excise) Amendment Bill 2008, A New Tax System (Luxury Car Tax Imposition—Customs) Amendment Bill 2008 and A New Tax System (Luxury Car Tax Imposition—General) Amendment Bill 2008—freely acknowledged at paragraph 2.19 that this measure will be, you've guessed it, inflationary. So the one argument Labor put forward for this tax slug—the need to fight in-

flation—has been undermined, knocked out, by Labor senators themselves. They acknowledge it will be inflationary.

Having said that, I acknowledge the inflationary impact will be minimal. But if the argument is that we need this to fight inflation then surely this measure should be anti-inflationary and not inflationary, as the Senate Standing Committee on Economics determined. Might I add that Senator Hurley, the chair, and Senators Cameron, Furner and Pratt were part of the committee which came to that conclusion. So even Labor senators are rejecting the Team Rudd spin on this one. The spin and rhetoric of Labor simply do not match the facts. The evidence simply does not support the reason for this measure.

We have these assertions of economic tough times. We heard about it at question time again today. Interestingly, when Mr Costello made those warnings on behalf of the former government last year, Labor and the media in virtual harmony condemned him as scaremongering—it was untrue, was not going to happen, it did not exist. Yet, very interestingly, here we have the Labor Party now acknowledging that which the former government said Labor would be facing if they were elected to government. We of course had a proper plan to deal with these issues, unlike Labor, who have a very ad hoc approach to the economy. They are going to fight inflation by doing something inflationary—that is, increasing taxes.

I will not be holding my breath for Senator Conroy to apologise to Mr Costello and the former government for denouncing the concerns that were expressed by the former government last year as to the economic times that we might be facing. But we have been told by Labor that we are facing an inflation crisis. I think that is overstated and an exaggeration simply for their own political purposes. But the inflation issue is quite dif-

ferent to that which we have previously experienced. We are experiencing heightened inflation at a time of economic downturn. Now that is a double whammy only Labor could manufacture!

We are told the rejection of this proposal will hit the surplus. Yes, it will—marginally. But the surplus we needed to pay off Labor's debt of \$96 billion was opposed every inch of the way by all those opposite, including Senator Conroy, who of course was one of the people who led the charge so often on behalf of the then opposition. I remind honourable senators that it was only in April 2006 that Labor's massive \$96 billion debt was finally paid off. After we paid off that massive debt we then moved to establish future funds to ensure that our future liabilities were looked after and catered for as well. But once the basics are covered—debts are paid off, liabilities covered—my view in general is that surpluses should in fact be given back to the people. Labor's empty rhetoric on the economic front is unsustainable, as pointed out by Labor senators themselves inquiring into this legislation.

It is not only bad policy as a result of its impact on the macroeconomic picture, namely that it is going to be inflationary, but it is also bad politics, because one of the other justifications has unfortunately been a reversion to something that I thought went out with the last millennium: the very distasteful throwback to the old class warfare concepts. Senator Carr, who is the minister for industry and who should be championing the cause of the motor vehicle sector in these very difficult times, simply says that the luxury car tax is okay because millionaires can afford to pay. Indeed, his words, I think, were, 'We're not in the business of giving money to millionaires.' What that shows is a minister completely and utterly out of touch with the realities of the Australian motor vehicle manufacturing sector. That was high-

lighted when we asked a question of him in question time just recently. He got the luxury car tax threshold wrong and he got when the tax was actually introduced wrong. He had to come back after question time to correct the record. That shows his disregard for this issue as industry minister—somebody who should be very concerned about the impact of this measure on the motor vehicle sector.

The fact that Labor is willing to treat this simply as a Treasury matter, as a taxation measure, is emblematic of the way the government is treating this issue. The fact that this might actually impact on industry—on a sector that is doing it tough—that it might impact on jobs, that it might impact on a whole host of people who under no measure could be described as millionaires, is a matter of great regret. This proposal is bad policy because it will hit all three of the car manufacturers that are left in Australia manufacturing cars for Australians.

Senator Carr and the government said that they champion the cause of manufacturing. Everything they have done since they have come into government has hurt the manufacturing sector. The thousands of job losses that they have presided over bear testament to their mismanagement. All three car manufacturers are saying, 'This will be detrimental to the Australian car manufacturing sector.' Senator Carr dismisses it because it is something that only millionaires will have to deal with. No, it is not. That is the problem when you have such a blinkered, ideological view of matters economic—you do not understand the broad sweep of the consequences of what you are doing. This tax on so-called millionaires, which is very offensive to those people who actually need a people mover like a Toyota Tarago or a LandCruiser in rural and regional areas—

Senator Conroy interjecting—

Senator ABETZ—Senator Conroy interjects, not from his seat. About one-sixth of the Taragos that are sold are impacted by the luxury car tax. Can I say in response to Senator Conroy: I know of nobody—and I would defy Senator Conroy or his very class-warfare-conscious minister, Senator Carr, to show one to the people of Australia—who drives around in a Toyota Tarago that has the status of a millionaire. Can I tell you: nobody does. It is a requirement for moving their children, moving people. To claim that they are somehow millionaires is of course quite offensive.

This measure is going to impact and hurt the Australian car manufacturing sector. All the evidence before the Senate committee showed that it was going to be anti innovation for the car industry—something that we have just spent \$35 million on with Toyota with the Green Car proposal. It is anti innovation in relation to environmental initiatives and safety initiatives. Senator Cameron during the Senate hearing told us that a lot of these measures were luxuries and not really necessary. But, you see, what happens—if you have a proper understanding of this sector—is that these innovations then trickle down and become standard in lower priced motor vehicles. That is why it is so important not to stifle innovation. If Senator Cameron and Senator Carr had their way, indicators would be seen as a luxury, no doubt. All these safety systems, such as ABS braking systems, stability control and air bags, started at the top of the price range of vehicles and then trickled down. All the evidence was that it would be anti innovation both from a safety and an environmental perspective.

It is also going to be anti viability, because the clear evidence was that it is the higher priced cars that provide the profit margins to the manufacturers. If you make those vehicles less profitable to the manufacturers they

then lose profitability. At a time of great marginality for them, it is very important to ensure that we do not impose any extra costs and on them. Indeed we had evidence that some motor vehicle importers despecified certain equipment from vehicles to ensure that they came in under the luxury car tax threshold.

When this luxury car tax first came in we were sitting at 2.5 per cent of the vehicles being sold. Today it covers 12 per cent. The Mitsubishi Pajero of 2000 was not a luxury car; the same model in 2008 is.

**Sitting suspended from 6.30 pm to
7.30 pm**

Senator ABETZ—Before the dinner adjournment I pointed out that when the concept of a luxury car tax was introduced, 2.5 per cent of vehicles were covered. Today, 12 per cent are covered. The thresholds are clearly unacceptable and need adjustment. Also, thresholds need to be adjusted by the CPI rather than the CPIMV. Those matters are fully detailed in the minority report put down by coalition senators in relation to this legislation.

Another very bad aspect of this legislation is its retrospectivity. This is appallingly inappropriate. The situation is that if you ordered a motor vehicle before budget night, had locked in your finance, and all that you were waiting on was the delivery of the vehicle, if that delivery happened to be after 1 July you would then be liable for the increased tax, according to Labor's approach. We believe that to be unfair and we believe it to be unreasonable. We also believe that if this aspect were to be removed, it would have virtually no impact in relation to the finances.

We have a situation where if somebody bought an expensive car—or a so-called luxury car—before the budget and locked it all in but could not get it delivered before 1

July, they would be liable. Somebody else buying another car might be able to rush into the showroom and get one that happened to be available before 1 July, knowing the tax was about to be incurred, and they could escape paying it. We say that this is unfair and unreasonable. The retrospectivity is also very dangerous and unacceptable to us. The retrospectivity has had a very real impact on people organising finance and their stamp duty liability. The arrogant lack of consultation in this matter is to be regretted and, hopefully, it is something from which the government will learn.

We then have the issue of what a luxury car is. There is no such thing as a luxury tax on anything else. Somebody who buys a Toyota Prado at \$66,000, a Tarago at \$64,000, a Mitsubishi Pajero at \$64,000, a Ford Territory at \$62,000 or a Nissan Patrol at \$62,000 will incur a luxury tax, but anybody who wears a \$200,000 Rolex watch around their wrist does not have to pay a luxury tax. We believe that to be inequitable. I remind honourable senators that in this so-called luxury car tax bracket the most heavily sold vehicle is not the Lamborghini, the Bentley or the Rolls Royce; it is the Land-Cruiser. It is hardly a status symbol, yet that is the most sold vehicle.

We then have the Labor senators very interestingly suggesting that the whole concept of luxury taxes should be put to the Henry review. I call on the Henry review to move us away from such a concept rather than entrenching this enigma.

Senator Conroy—Why didn't you when you were in government?

Senator ABETZ—Because we were busy paying off your debts, Senator Conroy. You left \$96 billion worth of debts, but they are now paid off.

This decision pre-empted the Bracks inquiry, which had been asked to look into the

concept of the luxury car tax and how it might impact. The government of course arrogantly disregarded its own inquiry and increased it. As a result, Mr Bracks constrained himself and did not say anything, albeit Labor senators claim that he made a positive finding in relation to that. He clearly did not.

The impact on tourism is huge. It is worth noting that about 8,000 motor vehicles that are subject to the luxury car tax are sold to the tourism industry each and every year. They are mainly small businesses and I might add they are largely buying Land-Cruisers. At a time when the tourism industry is suffering, the Labor Party is adding this extra impost above and beyond the \$1 billion of extra taxes that Labor is imposing on the tourism sector.

Can I also dispel another myth about this luxury car tax. Only about five per cent of vehicles sold and revenue raised comes from Lamborghinis, Rolls Royces and Bentleys. The vast majority of sales and income is in the area where people are purchasing these vehicles because of necessity rather than some desire to show that they have a status symbol.

In brief, we oppose this bill and we oppose the second reading because this legislation is inflationary, inequitable and job destroying in the car sector. If the Senate decides to pass the second reading, I can flag that we will be involved in the committee stages and we will vote to try to make a bad policy less bad. But I should indicate that on the third reading we will still be opposing this legislation.

Debate interrupted.

PERSONAL EXPLANATIONS

Senator HUTCHINS (New South Wales) (7.36 pm)—I seek leave to make a brief personal statement.

Leave granted.

Senator HUTCHINS—After question time in the House of Representatives today, Mr Slipper, the member for Fisher, made a statement in relation to an article that appeared in a number of News Ltd publications on Sunday. The article was written by Glenn Milne. In that article, a number of allegations were made about the events that transpired on an ADF program that Mr Slipper and I attended, along with Senator Bushby and Mr Don Randall, the member for Canning.

In the article it was alleged that Mr Slipper had potentially jeopardised the safety and wellbeing of a number of sailors on HMAS *Stuart*. I just wish to correct the record this evening. I was advised on Friday morning that Mr Milne was writing this article on Mr Slipper. The basis of the article, as I was told, was that Mr Slipper demanded to use the ship's satellite phone to ring a number of people. Mr Milne tried to ring me on Saturday. Eventually he got hold of me on Saturday afternoon and he asked me for my version of what occurred. What he had been told by Defence sources was my recollection of events as well.

In the week of 14 July this year, the other three colleagues from parliament and I were part of the ADF program that went to the Middle East. In the second week of the program, we were on HMAS *Stuart*. Mr Slipper has claimed that the article by Mr Milne was full of, to use his term, 'misrepresentations'. That is not true. I was there, along with my colleagues whom I have already named, and this is what, as I recall, happened.

Senator Bernardi—Madam Acting Deputy President, on a point of order: we gave permission for a personal explanation by Senator Hutchins with regard to what was said in the lower house today. We do not need a blow-by-blow description of what

transpired in the papers or previously in his conversations with Mr Milne.

The ACTING DEPUTY PRESIDENT (Senator Fierravanti-Wells)—Senator Hutchins, I think that you should come to the substance of what is the personal nature of the explanation. I am conscious of the time, so perhaps you could come to that aspect of it.

Senator HUTCHINS—The purpose of my explanation is this: I was not going to say anything about the article that Mr Milne put in the paper yesterday and would not have done so except that Mr Slipper got up this afternoon and said it was full of misrepresentations. It was not. Mr Slipper used that satellite phone on the ship. At some point we were about to be part of a boarding party on an oil tanker—that is, Mr Randall, Senator Bushby, Mr Slipper and I—but we were advised sometime during that morning that that had been cancelled because of what had been said on the satellite phone.

Senator Bernardi—Madam Acting Deputy President, on a point of order: I do not like to interrupt the senator in making a personal explanation, but a personal explanation is where you believe you have been misrepresented or inaccurately portrayed. It is not about dissent from what someone else has said.

The ACTING DEPUTY PRESIDENT—Senator Hutchins, I would appreciate it if you could come to the personal nature of your explanation insofar as you are concerned. Perhaps you could come to that.

Senator HUTCHINS—I believe that I was personally misrepresented because I was part of that group that attended the ADF program and, as a part of that program, I felt that I had been impugned because of a collective guilt that has somehow or other been visited upon all of us who were part of that program. That is why I rise in this place to

make these comments. As I said, if I may continue—I will not be much longer—

The ACTING DEPUTY PRESIDENT—I hope that you will not be too much longer.

Senator HUTCHINS—What occurred is that, as we were about to join this boarding party on an oil tanker, Central Command—which I gather is run by the Americans—advised the intelligence officer, who was furious as he brought us into the meeting.

Senator Bernardi—Madam Acting Deputy President, on a point of order: I think we have established what a personal explanation is for. This is debating about the merits of a newspaper article. If Mr Slipper has said something that directly affects Senator Hutchins, has named Senator Hutchins or has suggested that Senator Hutchins has done something inappropriate, Senator Hutchins should come to the point of it, but let us not try to cast a wider stone in order to detract from or highlight an article.

Senator Conroy—Madam Acting Deputy President, on the point of order: I think Senator Hutchins is well within his rights. It is clear that he has been implicated in the cancellation of a military mission because of what Mr Slipper has alleged in the parliament today. I think Senator Hutchins is entitled to put his case on how the representations that Mr Slipper has engaged in in the other chamber have reflected in a very serious way on Senator Hutchins's own conduct. I think he is entitled to clear the air on that. I appreciate some of the points you and Senator Bernardi have made about how perhaps we can speed the journey of this, but I do think Senator Hutchins is entitled to correct the impressions that Mr Slipper has left that impugn Senator Hutchins's behaviour on board the ship.

Senator Bernardi—Madam Acting Deputy President—

Senator Conroy—You've already spoken.

Senator Bernardi—Can't I have another go?

The ACTING DEPUTY PRESIDENT—I was just about to say that the standing orders are very clear that the matter ought not be debated.

Senator Bob Brown—Madam Acting Deputy President, on the point of order: yes, that is absolutely correct. The standing orders say that the matter ought not be debated, but surely the senator has the ability to put his story without debate so that the Senate can hear it. That is what the standing order is there for.

The ACTING DEPUTY PRESIDENT—Thank you, Senator Brown. My understanding, Senator Hutchins, is that the standing orders are that you should put forward your personal explanation. I believe that you have done that, and I would ask you to conclude your remarks.

Senator HUTCHINS—Thank you, Madam Acting Deputy President. I want to conclude my remarks this way: there is no doubt in my mind that whatever Mr Slipper said on that satellite phone on that day led to the cancellation of the proposed boarding. I sought to clear this up because I believed that it not only impugned me and my other parliamentary colleagues but also put at risk the safety of those brave men and women of our Defence Force on HMAS *Stuart*.

Senator Bernardi—Madam Acting Deputy President, I would like to place on record that I believe that what has transpired here is an abuse of leave, that it was not a personal explanation and that an adjournment speech could have been made. I think it is an inappropriate use of leave.

The ACTING DEPUTY PRESIDENT—Order! Senator Bernardi, I think the matter is now concluded.

TAX LAWS AMENDMENT (LUXURY CAR TAX) BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—GENERAL) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—CUSTOMS) AMENDMENT BILL 2008

A NEW TAX SYSTEM (LUXURY CAR TAX IMPOSITION—EXCISE) AMENDMENT BILL 2008

Second Reading

Debate resumed.

Senator HURLEY (South Australia) (7.44 pm)—I wish to support the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and associated bills. The government proposes in these bills to increase the luxury car tax from 25 per cent to 33 per cent. There will be no changes to the luxury car tax threshold, which is currently \$57,180. There has been no change to the rate of the luxury car tax since it was introduced with the GST taxation system in 2000, and it is important in this debate to note that the tax is only paid on the cost that is in excess of \$57,180. This is quite important, as quite a few of the vehicles that have been listed and spoken about in this debate are only marginally above that threshold amount and therefore the additional cost of the tax is fairly small. The opposition have in fact accused Labor of hurting large families and people with disabilities who require large people-movers to get around. That is not so. The debate seems to have shifted somewhat since then, but the opposition seem to have relied on misinformation and exaggeration to support their case. The proposed tax is on the price of cars before the retail price, so it does not include

the GST and is not a straight tax on whatever is the listed retail price of the car. That also changes the debate that we have heard.

Senator Abetz asked: what is a luxury car? I think it is worth going into a bit of discussion on this because the opposition was initially calling this 'the Tarago tax' and claiming that it did affect people who had large families or who needed large cars. That is an example of how the opposition has misrepresented the facts. I have the range of prices for the Tarago range. There are five models of Tarago, starting at the four-cylinder GLi model from \$50,000. There is the four-cylinder GLX model, which is \$53,000—and that is the retail price. There is the Tarago V6 GLi, which is a 3.5-litre V6 six-speed auto, from \$55,240. There is the VX GLX, which is described as having new levels of luxury. It is a 3.5-litre V6 six-speed auto from \$56,990. Those four models are below the luxury car tax threshold. The only model of Tarago that is above the luxury car tax threshold is the V6 Ultima, which is \$73,384. So it is perfectly possible to buy a Tarago under the luxury car tax threshold.

I do not particularly want to be an advertisement for Tarago, but I want to go a little into the V6 GLX, which is under the luxury car tax threshold. It has power steering, cruise control, power windows, all of the safety features: ABS, electronic brake force distribution, break assist, traction control, vehicle stability, vehicle swerve control, driver airbags, front passenger airbags, front seat side airbags, seat mounted front seat airbags, front seat side curtain airbags, rear second-row airbags and rear second-row seat side curtain airbags. It has a six-disc CD changer. There are other smaller, and all standard, features on the V6 GLX, which is under the luxury car tax threshold.

We have also heard how dreadful it was that people on farms would have their utes

taxed if they managed to put a bull bar or other optional extras on. On the Holden website—and, since it is made in South Australia, I am much happier about publicising Holden—there is the SS Ute, which many would call a luxury ute. Even with every single one of the options selected, including satellite navigation, Bluetooth, reverse parking sensors, towing packages, headlamp protector, bonnet protector, floor mats and roof bar, the total price is \$49,330. It is under the luxury car tax threshold.

We have heard also about how people in the country require 4WDs to get around. I have spent a reasonable amount of time in country and outback Australia, and I do not see many people driving around in 4WDs that are \$60,000-plus. Indeed, in the Senate Standing Committee on Economics report into the bills, table 1.1 lists 4WDs that are under the luxury car tax threshold, the Ford Territory TS Wagon and the Subaru Forester, and one that is above, the Nissan Patrol Wagon five-speed manual, which is \$58,490. You would pay an increase under this proposed luxury car tax increase of \$241 on that.

So there has been a great deal of exaggeration of the effects of this luxury car tax by the opposition. They have needed to gee up their case to complain about the luxury car tax because they are trying to portray it as a tax on—and I have even heard this word—battlers. That is, battlers who buy cars worth \$60,000-plus. It is just absurd. Most people are struggling to buy a second-hand car for around \$20,000. They could not aspire to buy a car of over \$60,000. So we are not dealing with vehicles that battlers are buying, that people who are struggling are buying. We are increasing a tax that has not been increased since the year 2000. It is a tax that will affect people who can afford to pay a little extra. And the more expensive you go of course the higher the tax is and the

wealthier is the person who is about to buy the car.

If the opposition oppose a tax on luxury cars, fair enough—argue that on ideological grounds—but do not distort the facts in order to bolster the argument. Another fact which has been very much distorted by Senator Abetz is the claim that Labor senators on the Standing Committee on Economics admitted that it would increase inflation. I will read out to the Senate the facts of this matter. The paragraph referred to, paragraph 2.19, says:

A simple calculation suggests the overall impact on the consumer price index will be negligible. Motor vehicle purchase has a weight of around 5 per cent in the CPI, so if the price of 10 per cent of cars sold were to increase by around 2 per cent as a result of the LCT rate increase, the total CPI might have a one-off increase of 0.01 per cent.

I will just repeat that: ‘a one-off increase of 0.01 per cent’. That, according to Senator Abetz, is an admission by Labor senators that inflation is going to increase. This is the level the opposition has to descend to in order to justify their opposition to this tax. This is the sort of mangling of truth that is required in order to build up any kind of case against this luxury car tax—a luxury car tax that has been in place for the entire time that the former Howard government was in office and which they did nothing to redress. Yet somehow it has now become an outrage that needs to be fixed. We also need to fix the threshold at which it is set, again something that the Howard government did not do in the 11 years or so that it was in office. Suddenly it has become a matter that affects country people, tourism operators and buyers of large cars for their large families.

The opposition’s case rings extremely hollow. The economic grounds on which they argue are also extremely hollow. They are saying that the government cannot introduce a tax increase that has a one-off inflation

factor of 0.01 per cent in order to increase the surplus. They say that they spent all their time in government paying off a debt from the former Labor government. We are going to spend all of our time in office making up for the deficiencies of the Howard government in the infrastructure that is now required in this country and in catching up on education and productivity. The opposition proposes to block the government measures which will allow this to happen. They say that the surplus should be returned to investors. I do not know whether they claim that that will not increase inflation but clearly it will, and we are battling to fight inflation in this current climate. We are battling inflation and interest rate increases and this opposition is playing sheer politics. In its voting record it is playing sheer politics in the way it frames its arguments and uses the facts. It is arguing on quite small grounds in order to justify its position.

No-one likes a tax increase, and certainly we on the Senate economics committee heard a lot of evidence from dealers in luxury cars and people associated with the motor industry saying that they did not like the tax increase and that they should have been consulted. The government’s view that it does not consult on budget measures is a very common one. I am not decrying the evidence of any of those dealers or motor associations. Clearly these are difficult times. The economy is slowing down and they will struggle to sell more expensive cars. So it is a problem for them and it is a difficulty. But the government did foreshadow that this would be a tough budget. Those luxury car dealers are no more than anyone else exempt from the fact that we all have to tighten up and make sure that we get this country and this economy through a very difficult global time.

Is the opposition not going to allow a duly elected government, a government which has

only been elected a few months, to fight inflation and interest rate rises in its own way by putting a tax on luxury cars which is not going to affect the battlers and those working families that are struggling to pay childcare fees, mortgages and increased grocery prices? It is not going to affect those families; it is going to affect families that can afford to pay \$60,000-plus for a new car. I would suggest that those people are in a better situation than battling middle-class working families to pay a little increased tax. If the opposition care to call that the politics of envy then that is the opposition's point of view; it is certainly not the Labor Party's point of view and not a view to which I would subscribe.

It is a matter of finding ways to rein in our economy, to rein in inflation and to reduce interest rates. Those macroeconomic goals will assist every one in the economy. Wild claims that it will affect the safety of vehicles—that Mercedes-Benz or Volvo or Audi or Lamborghini will stop putting safety features on their cars because Australia is putting in a luxury tax—really show the desperation of the opposition's argument in this instance to justify a position where they are not allowing through measures in the budget that will allow this government to govern in an orderly, responsible and reasoned manner.

The opposition should go away and get positive policies for a way to run this country, not work away at a government budget that is reasonable, balanced and responsible. I have had no representations from the battlers in Elizabeth or anywhere else in Australia saying that they are going to struggle to pay the luxury car tax. The battlers in South Australia would not dream of paying anywhere near those prices for cars. I think this is a reasonable and responsible measure in a reasonable and responsible budget, and I urge members to read the report of the committee and to support this bill.

Senator BIRMINGHAM (South Australia) (8.00 pm)—Oh, what a feeling! Senator Hurley, we have just heard a wonderful advert for Toyota and a great description of some of their vehicles on offer. You heard Senator Hurley speak about the four-cylinder Tarago and I know she lives on the Adelaide plains near where I grew up. It is pretty flat driving there but think of the four-cylinder Tarago going up those hills to Mount Barker fully laden. I am not sure that Senator Hurley's description of the four-cylinder Tarago quite does justice to the arguments that the government has been putting in relation to the luxury car tax and its impact on working families and on so many others.

You get the impression that the government and Senator Hurley will not be content until we go to some kind of Flintstonesque sort of world where everybody has to use their feet to pedal the cars along. That seems to be the desire they have. I know we had the trial of the Priuses outside here but you get the impression that the government want us to go the Flintstone route. You can imagine the families in Adelaide with their zero-cylinder Toyota Taragos going up to Mount Barker and trying to pedal their way up the freeway. It would be quite amazing.

The Tax Laws Amendment (Luxury Car Tax) Bill 2008 really is just a plain, simple, old-fashioned tax slug. That is all we are talking about tonight. It is a \$555 million tax slug over the forward estimates. It is a tax slug that hits at the much talked about and much lauded working families and at small businesses, at our tourism industry, at farmers and primary producers, at those who wish to be environmentally conscious and at parts of an Australian industry—an industry which Senator Hurley, Senator Bernardi and I represent which is important to our home state of South Australia.

It is remarkable to see the government going down this path. You can picture, back when the budget was being developed, the razor gang sitting there thinking that it was a bit too hard to curtail some of the things they wanted to spend money on which were not going to make a difference—Fuelwatch, grocery choice: some of those things that really wasted money. Of course to pay for those irrelevant promises they needed to put a few taxes up, so they looked around for the low-hanging fruit. They looked around for the easy targets, the things where they thought they could get away with an extra tax slug that people would not notice—condensate tax, ready to drink alcohol products and luxury car tax. They figured they could get away with all of those because they could find some other justification or hit particular interest groups. In the end they thought they could play on the politics of envy and that, because it is called a luxury car tax, people would say, ‘Oh well, I don’t drive a luxury car. I happen to only drive—’

Senator Bernardi—A Tarago.

Senator BIRMINGHAM—‘a Tarago,’ Senator Bernardi, ‘or a Land Cruiser.’ There are numbers of other vehicles, some of which are produced in Australia, that actually get hit by this tax impost, by this tax slug of the new government. Senator Hurley wanted to argue that because it only has a minor impact on inflation the tax slug is not inflationary. I am quite sure that during one of his answers at question time Senator Conroy would admit that even a minor tax increase that is recognised as inflationary is actually inflationary. If it is going to increase inflation then it is an inflationary measure, no matter how small that may be and no matter how much you want to argue over the semantics of it.

Senator Conroy interjecting—

Senator BIRMINGHAM—Senator Conroy can sit there shaking his head, trying to look confused. Senator Hurley’s argument was, ‘We recognise there is an increase but it is not very much.’ It may not in itself be very much but, of course, it is not the only tax slug the government is trying to enact. That is why their budget itself is inflationary—through driving up taxes in areas like this. We have the inflation argument and we also have, of course, the impact on the automotive industry.

Senator Conroy—You should be embarrassed about what you are saying.

Senator BIRMINGHAM—Senator Conroy, you should be embarrassed. You should be embarrassed as senator for Victoria. Your state relies on the automotive industry just as much as South Australia does. It is amazing that you are happy to sit back and let them take this slug. It is little wonder that Ford has decided to stop making a Fairlane in Victoria, Senator Conroy. They know that, under the politics of envy, in your government those types of cars are going to be put out of business anyway.

That brings me on to the damage the luxury car tax will do to the Australian automotive industry. They came in quite clearly to the inquiry by the Senate Standing Committee on Economics and made their views known. In your own state, Senator Conroy, the Victorian Automobile Chamber of Commerce said:

... this tax hits a segment of the local vehicle manufacturing industry that has been growing ... or maintaining sales ... while sales in other segments have been falling, and any increase in this tax will simply exacerbate that situation.

Senator Conroy, you were slammed by the Victorian Automobile Chamber of Commerce. Representing the Federal Chamber of Automotive Industries, Mr Andrew McKellar told the inquiry:

When this tax was originally introduced it was a thinly veiled protectionist measure for the local industry. These days it actually adversely impacts the industry, because it means the level of competition that those local brands are facing is more and more intense.

The industry recognises that this tax rise will actually do them harm. As they make premium vehicles they are trying to compete with imported vehicles and others, but the tax rise that pushes up the price of the premium vehicles that Australian industry is making in Victoria and South Australia will do them very clear damage.

Senator Hurley wanted to talk about the vehicles that are affected. The truth is there are a number of vehicles affected. She used every different example in relation to a Tarago and tried to sweep off the one that is actually affected. Of course, she did not go anywhere near the LandCruisers that are important to our rural communities; she did not go anywhere near some of the other vehicles that are important in those rural sectors; she wanted to talk about utes. Utes are important, certainly, but in our country communities, in agricultural communities, four-wheel-drives are particularly important and they are nearly all hit by this tax measure.

Unlike Senator Hurley, I receive very strong representations from people who are concerned about this. In South Australia, the local member for Stuart, Graham Gunn, representing a large part of the state, has made very clear to me that this tax impost will hurt local communities in his remote and regional areas. It will hurt farmers and those living in remote areas. It is an unnecessary tax impost directed very much at them. He has been supported in those representations by the new candidate for Stuart, Dan van Holst Pellekaan, who has actually made it very clear to me, in very strong and passionate terms, the number of people in areas like Port Augusta and elsewhere in rural and re-

gional South Australia who have raised the tax rise with him. They have raised it with him because they are concerned that they are not going to be able to afford the types of vehicles they need to run their businesses, get their children to school and actually do the day-to-day things that are required when you are living in a remote or regional area.

The tourism industry in particular has highlighted this to me. Michael Pengilly, our state member for Finnis in South Australia, has put me in touch with Paul Brown from Kangaroo Island Wilderness Tours. In Kangaroo Island, the Flinders Ranges and many other regional tourism centres, a large part of the tourist product is actually four-wheel-drive tours. They are four-wheel-drive tours that are trying to cater to high-yield tourism markets and are trying to actually deliver a quality product to people coming to Australia, spending tourism dollars and generating economic activity in these areas. They need to upgrade their vehicles every couple of years to ensure, firstly, that the wear and tear is not too great on them and, secondly, that they are maintaining the high standards of quality product that consumers in their industry expect. What is going to happen now? They are going to face an even higher tax slug when they upgrade those vehicles. They will probably have to upgrade them less frequently. Tourists are going to get a lesser-quality experience as a result of that, or the operators' profit margins are going to be hit. It is a direct hit on those types of tourism business.

It is a direct hit on larger families, as I said before, but it is also an amazing hit from this government on environmentally-friendly cars. A lot of the cars on the market that are hybrid cars or use low-emissions technologies are hit by this luxury car tax. Those cars are now going to cost more as a result of this. This was one of those little hidden whammies for the environment and for the gov-

ernment's so-called ambitions to tackle climate change that were buried away in the budget. Their means-testing on the solar panels rebate clearly hit the solar industry hard and was a negative impact on measures to tackle climate change, and this tax measure, which will hit hybrid vehicles and those using low-emissions technologies, is another hit to climate change—another whack from the government out of this budget.

You do wonder, as they were constructing this budget, whether they were thinking at all about the overall objectives the government had in areas like climate change or whether they were ignoring it altogether. Of course, we know they were not thinking in a large, strategic context, because well before the budget was handed down they had commenced the Bracks review into the automotive industry. So they had a review looking at factors impacting on the automotive industry well underway before bringing down the budget, but, when considering the luxury car tax increase, did they say, 'Hang on a minute, we've got the Bracks review happening. We might just wait until it reports to see whether or not we should consider this tax rise'?

Senator Bernardi—No.

Senator BIRMINGHAM—No, indeed, Senator Bernardi. Of course, they did not wait for the highly-paid consultant, the former Labor Premier of Victoria Mr Bracks, to hand down his report. No, they decided instead to just go ahead and raise this tax without any consideration of the Bracks report.

Senator Bernardi—She'll be right, Bracksie!

Senator BIRMINGHAM—Yes. Mr Bracks kind of managed to negotiate his way around the government's decision by noting in his final report that the tax rise was before the parliament. That is the only comment that he made in his fearless report into the auto-

motive industry! He did note that states and territories should consider the harmonisation and reduction of stamp duties, vehicle registration and compulsory third-party insurance to facilitate the purchase of new or newer, second-hand vehicles. So he seemed to think that every other impost on vehicles should go down—that anything that actually encouraged people to purchase new vehicles was a positive for the automotive sector and that lower prices were a key part of that. He seemed to recognise that. Somehow, though, he conveniently left out the luxury car tax from that list of taxes, imposts and charges that should be curtailed.

Senator Hurley commented that there had been no change to the rate since its introduction. Those are the words she used at the beginning of her remarks. The luxury car tax rate was set at 25 per cent when it was introduced and there has been no change to it. Well, nor should there be a change to it. That is the contention of this side. When you set a rate, a percentage, you do not need to jack it up to take into account inflation or other factors; it is a percentage. It takes into account inflationary aspects along the way and growth in the dollar value of cars. The argument that somehow this should occur because there has been no change in the rate since its introduction is quite amazing. Are we expecting to hear the government say the same thing about the GST or other percentage based taxes along the way? Are we expecting to hear them say, 'There has been no change since their introduction so maybe we should increase those too'? It is, of course, a foolish argument and approach.

Finally, can I tackle the idea from the government that the opposition should not vote against measures like this. This is the ultimate case of, 'Do as we say, not as we did,' coming from the government. Anybody in this place who is being honest knows just how much the now government stood in the

way of measures the previous government introduced over the years. Anybody who is being honest knows how much they stood in the way of true tax reform—not tax hikes, not tax slugs like this, but true tax reform—and efforts to reign in the enormous budget deficit left to the Howard government when it took office. This government have been left a fabulous prize, a fabulous windfall, an enormous budget surplus. Not satisfied with that, they have to put this slug onto ordinary families. Then, when the Liberal Party and the National Party stand up for those working families, for those small businesses, for those farmers and for others and actually say, ‘No, we don’t think this tax slug is acceptable and we’re going to vote against it,’ the government have the gall to say that somehow that is irresponsible.

What is irresponsible is slugging all of those hardworking Australians more than is necessary when the budget has an extremely healthy surplus, regardless of this tax measure. Future budgets, thanks to the hard work of the previous government, will all have extremely healthy budget surpluses—and the government inherited that. The government, if it were being honest, would take this proposal off the table. It is a proposal that will hurt too many parts of the Australian economy, will hurt too many people and is totally unnecessary. Instead, they are hell bent on persevering with it, without recognising the pain that it will cause. The Liberal and National parties will not stand for that. We are proud to stand up for ordinary Australians, for all Australians, with measures like that, and that is exactly what we are doing with our opposition to this measure.

Senator MARK BISHOP (Western Australia) (8.17 pm)—I rise in support of the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and other associated bills. As we have all heard ad nauseam, the intent of these bills is to increase the luxury car tax from 25 per

cent to 33 per cent, effective on and from 1 July this year. At the outset, we need to be mindful of the fact that there has been a luxury car tax in place in this country since at least 1979. It has been supported by every successive government since that time. It has been a fact of life, accepted across the political divide for very sound policy reasons. As we also know, the current act was introduced by the previous government. It was introduced some five or six years ago as part of the goods and services tax and it replaced the wholesale sales tax, which had previously applied to this market segment. Since 2000 the rate of tax has remained the same, although the threshold for the tax has increased.

This measure, it needs to be stated front and centre, will have somewhere between an absolutely limited and an absolutely minimal impact on Australia’s domestic car manufacturing industry. Australian made luxury cars represent less than one per cent of all new car sales in this country. It will in fact have a limited impact, a minimal impact, on Australian families purchasing a new car. The luxury car tax threshold currently stands at around \$57,000. The previous government, in its wisdom, saw fit to index that threshold annually. That view, I note in passing, is very different from their view on the Medicare levy surcharge threshold, which they chose year in year out not to index. Apparently it was quite satisfactory to index and increase the luxury car tax threshold. It is clear that the luxury car tax did not affect the budgets of working families in the same way as the Medicare surcharge did, and therein lies the explanation as to why one was indexed and increased every year and one was ignored for many years.

As the Senate report indicates, over one million cars were sold in this country in the year just passed, 2007. I understand that that was an industry record and represented, in

2007, an increase in new car sales of nine per cent over the previous year. Only 10 per cent of those one million units sold—or 100,000 new cars purchased—incur the impost of the luxury car tax. So it had minimal application. Despite recent comments by members opposite, these vehicles are predominantly if not universally by European car manufacturers and have highly recognisable, prestige brand names. But, of the top 20 selling cars in Australia, less than four per cent—I think about that—are subject to the luxury car tax. In 2007 the median price of a family car was approximately \$34,000. That is almost \$23,000 per unit less than the threshold where the luxury car tax kicks in.

As we all know, this government is greatly mindful of the pressure on the budgets of working families. Changes to the tax rate will not affect people with disabilities as existing exemptions will continue to apply. That includes the GST exemption on the purchase of a car by a disabled veteran or an individual up to the value of the luxury car tax threshold. Exemptions to the tax will continue to apply to emergency vehicles, motor homes and campervans. And the farming community and the rural community should be relatively unaffected by the luxury car tax as it does not apply to commercial vehicles.

However, the bills upfront will increase the cost of luxury imported cars. Isn't that a terrible thing? If you want to purchase a vehicle such as an Audi Q7, a BMW X5, a Range Rover Sport or sedans such as BMW 3, 5 or 7 series or a Porsche 911, you will pay more. Isn't that a terrible encumbrance? For cars from \$57,000 up to \$300,000 a luxury car tax will be imposed, and isn't that a terrible, woeful situation? On the other hand most of the Toyota Tarago range, for example, is not subject to the luxury car tax, so working families again have been looked after and protected by this government.

I find it ironic that in the debate about the luxury car tax senators have been urged to increase thresholds so as not to capture vehicles not considered luxurious. The Motor Traders Association of New South Wales actually advocated that the threshold should be raised to \$100,000. So not only do they not have a problem in principle with the luxury car tax but they seek that it be applied widely and be increased up to \$100,000. By contrast, at a recent public hearing down in Melbourne, on hearing changes to the Medicare levy surcharge almost universally senators were urged not to increase thresholds to \$100,000. This is despite the fact that an additional 30 per cent of Australians have now been captured by a measure originally intended to target high-income earners.

This measure is about one thing: it is about the budget bottom line. Treasury estimates it will provide an additional \$555 million over the next four years. It is part of a package of measures which are designed to do what? They are designed to put the fairness back into our tax system. They are also part of the mix that underpins and provides support for a strong budget surplus that will put downward pressure on inflation and interest rates—and I will return to that shortly. That, if it should turn out to be economically successful, is a most worthwhile objective.

Having introduced the fact that this budget bill is part of a package of half a dozen bills and part of a set of bills that are designed to introduce something in the order of almost \$6 billion in additional revenue, it is useful to consider why the government wants to do that, why this bill and these imposts are critical, why the Senate should in no way oppose them and why all parties should combine to give urgent and speedy passage to this entire set of bills that affect the budget bottom line. Let us talk about the government's election mandate. Let us talk about the government's budget. Let us talk about economic responsi-

bility and let us then talk about the opposite of economic responsibility—that is, deliberate vandalism by the opposition.

As you well know, Madam Acting Deputy President, this government was elected to implement, principally through the budget process, the commitments that we went to the Australian people on all last year and particularly in the period August-September-October-November, as we released our policies, policies taken to the Australian people on tax, income support and childcare to help those under financial pressure—that is, working families with huge, ongoing expenses. Nothing was hidden. Nothing was covered up. The policies were put out repeatedly in August-September-October-November, and we received an overwhelming swing and an overwhelming mandate to bring these sorts of budget measures before the parliament and to have them passed as a matter of principle and as a matter of urgency.

As part of that package, we said to the Australian people: ‘We are going to be fiscal conservatives. We are going to manage the economy of this country responsibly and that is going to involve significant budget surpluses over time.’ What did we do in May of this year? The Treasurer brought down his first budget—the first of many, we hope. It had a strong surplus of some \$22 billion. That figure was designed to put maximum downward pressure on inflation, because the government had inherited inflation at 16-year highs after 10 consecutive interest rate rises and the second-highest interest rates in the developed world. That budget surplus is about the future. It is about going forward. It is about protection for the Australian economy. It is about protection for working families in Australia. That surplus is a buffer against international turmoil that we see every day in the papers around Australia and

it will fund investment into the future when the dark times come.

The opposition, in threatening to torpedo this set of luxury car tax bills and a range of other bills that go to other matters, is not only acting irresponsibly but also deliberately seeking to torpedo, to hurt, to harm, to wreck budget measures brought before the parliament in the interests of working families—to whom the Australian Labor Party put out its policies, which were overwhelmingly endorsed in late November of last year. In these difficult, changing and varying economic times, the worst thing that could occur is that the opposition might—for no reason apart from a little bit of topical gain—deliberately blow a hole in the government’s budget bottom line.

The government is committed to ensuring we have a strong fiscal buffer for the future. The government is laying the foundations of a program of responsible economic management in the face of increasing global economic uncertainty. With increasing global economic uncertainty, the worst thing you can do is to send a message of uncertainty, a message of irresponsibility, a message of change without reason, a message of vandalism without purpose, about whether or not the surplus is going to remain intact. Either you are economically responsible managers, having concern for the economic welfare of this country, or you are not.

The opposition, for reasons that it has not yet bothered to explain, for reasons that are unclear to any observer, simply seeks to make momentary political gain in an economically populist fashion that does not have any appeal to or any impact on working families or even those on middle incomes. At a threshold of \$57,000, where the luxury car tax comes in, we know who the beneficiaries are, even though the opposition chooses to portray otherwise. The opposition, for rea-

sons of its own irrelevance, is seeking to become centre stage, and its vehicle for driving itself onto centre stage is destroying the surplus that this government, through hard measures and hard decisions, through reductions in spending, has managed to create and that will go into investments into the future. Those in the opposition are political vandals and economic opportunists.

Let us talk about the government's election mandate and the long term—how you build, how you maintain and how you create a strong economy, one that benefits working families. It relates not just to the immediate bill before the chair in terms of the luxury car tax but to the whole package of bills that the opposition has indicated it intends to wreck, vandalise and turn over, hence driving down the budget surplus from something in the order of \$22 billion to something over \$15 billion. A whole package of measures are going to be coming to this chamber in due course, measures that will affect the health of the Australian economy for the long term, that will benefit working families in this country and that will go not only to the matters in the bill that is before the chair but to matters of climate change, the education revolution and long-term returns on investment in hospitals and the health system.

It is clear to everyone who is listening to this debate that the Rudd Labor government is acting now for Australia's long-term future. We are preparing Australia for a stronger future, a sounder future, where interest rates come down and stay down, where inflation comes down and stays down and where there are jobs on the east coast and the west coast and opportunity for all. The absolutely critical and pivotal part of being able to establish those sorts of strong economic trends now and into the future is the large budget surplus that this government took to the people last year and that was overwhelmingly endorsed by them.

The Australian people are not fools. They understand that a budget surplus has the effect of reducing pressure on interest rates and reducing the impact of inflation and bringing both down and keeping both down over time. It is a struggle worth fighting for. But what do we get from the opposition? We get a mob who are shallow and divided. They do not have any long-term plans. They do not have any long-term leadership. All they know is to come in here and say, 'We oppose, we oppose, we oppose.' That is not good enough.

The measures that are behind this bill will result in the economy emerging in strong shape from these tough international times so that we can provide jobs in this country for all those who want them—quality jobs on both the east coast and the west coast, well-paid jobs, well-rewarded jobs. But that can only occur if there is a sustained commitment by all parties in this place to responsible economic management—the same commitment that the Australian Labor Party gave repeatedly and continuously from 1996 to 2007. Responsible economic management was always a hallmark of our time in opposition. It did not change then and it will not change now.

Why are we saying that that is important? We are saying that is important in providing for working families, making sure our economy emerges in a strong shape from these difficult global economic times, providing, as I said, quality jobs and security for all those who seek those things in this life. It is about scrapping the Liberal's unfair Work Choices laws which stripped away penalty rates and overtime and reduced the take-home pay for Australian working families. It is about making workplace laws fair and balanced through Fair Work Australia and preparing Australia's workforce for the real changes that are going to occur and for the real challenges that are emerging in our economy that will provide worthwhile, well-

paid, high-reward jobs over the long term. In that context, the Australian people made it unequivocal what their decision was. They voted out Work Choices, and that is what the government will be doing in due course.

But, of course, the opposition have demonstrated in this debate and have foreshadowed in a range of other debates the position they will be taking on a range of budget measures the government is going to bring into this place in due course. The Liberal Party and the National Party still believe in Work Choices. They introduced Work Choices laws that stripped the take-home pay of Australian working families, and they would reintroduce them as quickly as they could if they had the opportunity. If the worst should happen and the government should fall tomorrow, you could bet that within a month we would have a revised package of Work Choices laws that in substance and in principle would be identical to those brought in by the former Howard government some two or three years ago.

What did that package of measures leave us with? It left us with 10 interest rate rises over the last three years and the highest inflation rate in 16 years. There is nothing more harmful to living standards, investments and returns than the insidious effect of inflation eating away at the value of wealth that people, firms and companies have accumulated over time. Again, we know that is on the agenda and coming to a chamber near you. In that context, do we get any sensible position from the opposition on climate change, on one of the most critical features pressing on this country, with its resource dependency and its energy intensive— (*Time expired*)

Senator MARSHALL (Victoria) (8.37 pm)—I will start by commending Senator Bishop for a very valuable contribution to this debate. The Tax Laws Amendment

(Luxury Car Tax) Bill 2008 increases the luxury car tax rate from 25 per cent to 33 per cent to apply on and from 1 July 2008. Let me be clear from the outset that this bill is about Australians contributing their fair share. I have heard some members of the opposition flippantly refer to this measure as simply a grab for tax. Maybe they ought to consider what has happened in tax since the Labor government have been elected. We are delivering, in our first nine months and with our very first budget, \$46.7 billion in tax cuts over the next four years, which will mean more money in the budgets of working families. Let me be specific as to what that \$46.7 billion in tax cuts over the next four years means to working families. A family on a single income of \$40,000 will be \$20.19 per week better off, or \$1,050 over the course of a year. A family on a single income of \$80,000 will be \$21.15 a week better off, or \$1,100 a year, and families with a combined income of \$100,000 where the primary earner's income is \$60,000 will be \$31.73 a week better off, or \$1,650 a year. The government have now delivered massive tax cuts and will continue to deliver significant tax cuts to working Australians over the course of the forward estimates.

With this bill we are at the same time plugging the gaps in the system and reducing the overall tax burden on working families. This increase was announced in the 2008-09 budget as part of the government's package of measures to enhance fairness in the tax system. The government believe that Australians who can afford luxury vehicles have the capacity to contribute to revenue at a higher rate than other car buyers. Let us appreciate from the outset that the budget the Labor Party brought down last May was a tough budget. It had to be a tough budget because we were left with a 16-year high inflation rate. It had to be a tough budget to address the legacy left to us by the Howard govern-

ment. Some hard decisions had to be made, and we would have preferred not to have had to make some of the decisions, but at the required time we delivered significant personal income tax to working families and we are making some adjustments to the taxation rates in other areas. These are necessary to deliver the significant surplus that we have to address inflation, to keep downward pressure on inflation, and, consequently, downward pressure on interest rates. These are responsible measures.

The measure is expected to raise \$555 million in additional revenue over the forward estimates. Since 1979, successive Australian governments have imposed an additional tax on luxury vehicles. The luxury car tax was introduced on 1 July 2000 when the GST was introduced and the wholesale sales tax was abolished. Luxury car tax applies to cars whose price, including the GST, exceeds the luxury car tax threshold. This is currently \$57,123. Certain types of cars are exempt from the tax. This includes most commercial vehicles, most second-hand cars, motor homes, campervans and prescribed emergency vehicles. We are not changing the arrangements to those categories of cars. A car specifically fitted out for transporting a person with a disability who uses a wheelchair is excluded from the definition of a 'luxury car' provided the car is not also GST free under the GST laws. It is estimated that around 10 per cent, or around 100,000, of all new car sales made in Australia in 2007 were subject to luxury car tax. The tax is applied to both imported vehicles and domestically manufactured cars. Of the top 20 selling cars in 2007, which cover more than 50 per cent of the car market, fewer than four per cent are subject to the luxury car tax. Of the five Toyota Tarago models, only one attracts the luxury car tax. Of the three largest selling people-mover brands, this is the only model that will be impacted by the tax increase. In

real terms, the price increase for the vehicle is just over one per cent.

Let me make the point again, because the opposition seems to be unable to understand the point of the bill: this bill is about all Australians contributing their fair share. This is about the government recognising the need to reduce the overall tax burden on working families. That is why the opposition are opposed to this bill. They do not want to make this contribution. We recognise that there are some opposite who do not want to pay more for their luxury cars. While those opposite do not want to pay more for their luxury vehicles, the legacy they have created from over a decade of financial mismanagement is hurting working Australian families. When you combine this with active targeting of working Australians through Work Choices, Australians have had it tough. Not only are those opposite unwilling to pay more for their luxury vehicles; they do not seem to notice that the very same working families that suffered dramatic increases in the cost of living voted them out. They are still trying to govern from opposition. In doing so they are vandalising the budget: cherry picking pieces of legislation that they choose to support or oppose based on crass short-term populism geared towards grabbing headlines. This is nothing more than political opportunism, and it is political opportunism that we have experienced consistently since the conservatives have been in opposition. They left this government with a legacy of the highest inflation in 16 years. It is us who have had to make the hard decisions about putting pressure on inflation and therefore downward pressure on interest rates in the interests of all Australians. It leaves you wondering what position they are going to take next. Is the opposition to this legislation coming from Brendan Nelson's office or that of Malcolm Turnbull? We will never know.

Senator Jacinta Collins—Or Peter Costello!

Senator MARSHALL—Yes—or is it from Peter Costello? I heard Mr Swan mention the difficulty that the opposition now have in the three stooges approach to their leadership. You have Brendan Nelson, who cannot do the job; Malcolm Turnbull, who cannot get the job; and of course Peter Costello, who will not do the job—or maybe he will? We will see in the future. As those opposite continue to play games with our economic future, going for the cheap media grab, they refuse to take any responsibility for the chaos that they are responsible for in the first place. I wonder whether or not the Australian people will take them seriously, given the situation they are in.

This government is fighting to make sure that this country is on a sound economic platform. The 2008 budget, delivered by Treasurer Swan, set out the government's agenda very clearly. We must remember that, in negotiating our way through the current economic climate, we are in fact negotiating our way out of the Howard government's inflationary legacy. It is a legacy marked by reckless spending and characterised by largesse and short-term investments. This government is not about that; this government is about making the hard decisions for the long-term prosperity of this country.

We have shown the opposition how to actually deliver on election promises. In doing so, we are breaking away from the Howard government's legacy of financial mismanagement and broken promises. The 2008 budget has put working Australians and their families at the centre of the Rudd government's commitment to tackle inflation. We are laying the building blocks for a stronger and more modern Australia. The centre of the budget is the \$55 billion Working Families Support Package, which delivers on tax cuts

the government committed to during the election. These tax cuts will help Australian families with childcare and education costs.

The Australian people rejected the coalition's Work Choices laws and its policies of division. The Australian people embraced a team that was more concerned with their issues—concerned with the bread and butter issues that Australians know are the most important. The budget contained a \$40 billion investment in Australia's future to build new and improved roads, hospitals and schools. The budget is the first step towards a new, more modern Australia with first-class economic and social infrastructure. We can now start investing in the schools, hospitals, roads, railways and communication projects that working families rely on every day. These projects were neglected by our predecessors for more than a decade.

We have had the courage to make the tough decisions. We have had the courage to make the tough decisions in the budget. These decisions are hard in the short term, but they are the decisions that will make Australia stronger in the long term. That includes delivering a surplus of \$21.7 billion in our first budget. We have done away with \$7 billion worth of the Liberal's reckless spending. Additionally, we have invested \$55 billion in our Working Families Support Package. By investing in infrastructure, water, child care, GP superclinics and an education revolution, we are telling these families that they now have a government which have them at the forefront of their minds.

We have been asked to ensure working Australians' future quality of life. We have been asked to provide working Australians with quality opportunities both now and into the future. We have been asked to ensure fairness. That is why we recognise that it is important that we enhance fairness in the tax system. This legislation will do just that.

While we are engaged in a program of delivering on our election promises and building a stronger Australia, the Liberals have their eyes firmly set on a Pagani Zonda, a so-called supercar. There are a lot of people doing it tough out there, and inflation is hurting them at the checkout. By increasing the luxury car tax from 25 per cent to 33 per cent from 1 July 2008, we are not just being economically responsible, we are also working hard to ease the pressure on working Australians and their families and to make the tax system fairer.

Senator JACINTA COLLINS (Victoria) (8.49 pm)—In speaking on the Tax Laws Amendment (Luxury Car Tax) Bill 2008, the A New Tax System (Luxury Car Tax Imposition—Excise) Amendment Bill 2008, the A New Tax System (Luxury Car Tax Imposition—Customs) Amendment Bill 2008 and the A New Tax System (Luxury Car Tax Imposition—General) Amendment Bill 2008, I would like to commence by placing these measures in their broader economic context. As other senators have highlighted, the global economy is in a difficult position. It faces some of the biggest challenges that it has seen for quite a number of years. The world simultaneously faces a global credit crunch and steep rises in oil prices; either of these on their own would create instability and threaten growth. This is pushing up borrowing costs and impacting on consumer confidence right around the world. In the March quarter, Japan's economy contracted by 0.6 per cent, Germany's economy contracted by 0.5 per cent and France's economy contracted by 0.3 per cent, and there have been negative impacts on many other countries. Australia is in good shape compared to most other economies due to our strong underlying economic fundamentals.

Senator Abetz—After 11 years of Howard-Costello stewardship!

Senator JACINTA COLLINS—The robustness of the Australian economy, contrary to what Senator Abetz would suggest, is in large part due to the wide-ranging economic reforms implemented by the Hawke-Keating governments. This government aims to build on those reforms. So, Senator Abetz, look forward to more sensible amendments to how we organise tax law in this country.

There are some aspects of the macroeconomic environment that we cannot control. But there are many things that the government can influence. What we have to ensure is that we do as much as possible in relation to the things that we can control to reinforce Australia's economic position. One thing we have control over is our fiscal position. That is why in its most recent budget the government put in place a \$22 billion surplus. This surplus will put downward pressure on inflation and in turn downward pressure on interest rates.

In their political opportunism the opposition is playing a very dangerous game. They are threatening to oppose a series of measures that could reduce government revenue by more than \$6 billion. Blocking measures such as those contained in these bills would reduce the size of the surplus and put upward pressure on inflation—and we know this opposition's record on inflation. This in turn would place upward pressure on interest rates—and we know this opposition's record on interest rates. By reducing the surplus, the opposition not only threatens to create upward pressure on interest rates but also to reduce the capacity of the three funds set up in the budget to support much needed investment in infrastructure and the health and education sector—that is, the Building Australia Fund, the Education Investment Fund, and the Health and Hospitals Fund. Together, these funds will be used to invest \$40 billion in nation building in our longer term future.

The luxury car tax increase is a balanced approach to dealing with the difficult economic challenges we face. It will raise over \$500 million over four years. Therefore, it constitutes an important component of the government's fiscally responsible position. Furthermore, the opposition's attacks on this measure are important in that they are part of a broader range of attacks on the surplus totalling, as I said, more than \$6 billion. By blocking the measures contained in the luxury car tax bills—and indeed, in a number of other measures contained in the budget—the opposition is taking a hatchet to the surplus. The luxury car tax bill will impose a moderate cost on the sector. Further, it will impose it on those most able to bear it.

There is no evidence that the luxury car tax increase will increase car prices more generally. It is just scaremongering to assert that this measure will hurt working families. Of the 20 top-selling cars in Australia less than four per cent of those sold are subject to the luxury car tax and, for the lower end, the increase is in the hundreds of dollars and not the thousands of dollars that the opposition might suggest by their rhetoric. The so-called Tarago tax only applies to one Tarago model, and the price increase is just over one per cent. The entire Tarago category, including the four other models that are well below the luxury car tax threshold, is less than half a per cent of the passenger vehicle market. Nor will the tax disadvantage people with disabilities. The tax law already provides exemptions for people with a disability from the luxury car tax. Treasury has also consulted with disabled groups to ensure that they are not adversely impacted by these measures. As I have already stated, this is a balanced approach. We do not think it is unreasonable that people who have done well in recent years pay a little more for a luxury car. If everyone pays their fair share and we plug the gaps in the system we can reduce

the overall tax burden imposed on working families.

These bills sit well within the goals of a tax system. Two of the key objectives of any tax system are equity and simplicity. This measure satisfies both of these criteria. First, it satisfies equity in that it is progressive. Everyone in our community is shouldering the burden of ensuring that our economy is well positioned to withstand the current global economic uncertainty. That is why the surplus in this year's budget is built on spending cuts across a range of areas. But surely it makes sense that the wealthiest in our community should bear more of the burden than those struggling to make ends meet. That is why a tax on items that are clearly a luxury makes sense.

We apply progressivity in many areas of taxation. The most obvious is income tax, where the tax rate on a marginal dollar earned rises with income. Consider the tax rates on income. The tax rate on income is zero for taxable income up to \$6,000; 15 per cent for income between \$6,000 and \$34,000; 30 per cent for income between \$34,000 and \$80,000; 40 per cent for income between \$80,000 and \$180,000; and 45 per cent for income above \$180,000.

We also apply this principle to the major purchase in most people's lives—their house. In most jurisdictions, land tax and stamp duty are progressive. For instance, I looked up the situation in Victoria to make this comparison. Both land tax and stamp duty are progressive. Consider the general land tax schedule. In Victoria it applies at a rate of 0.2 per cent on each dollar over \$250,000 and less than \$600,000; 0.5 per cent on each dollar over \$600,000 and less than \$1 million; 0.8 per cent on each dollar over \$1 million and less than \$1.8 million; 1.3 per cent on each dollar over \$1.8 million and less than

\$3 million; and 2.25 per cent on each dollar over \$3 million.

What about stamp duty on a principal place of residence? Again, let us look at the Victorian example. The rate is 1.4 per cent of the value of the property up to \$25,000; 2.4 per cent of the value in excess of \$25,000 and less than \$130,000; five per cent of the value in excess of \$130,000 and less than \$440,000; six per cent of the value in excess of \$440,000 and less than \$960,000; and 5.5 per cent on the entire value of the property if the transaction is greater than \$960,000.

Senator Abetz—So what is it on a yacht?

Senator JACINTA COLLINS—This measure also satisfies the criteria of simplicity. Senator Abetz raises yachts now. He might easily have been observing my speaking notes, because that is indeed the next point I come to. Some critics of the bill have argued: ‘Why stop at luxury cars? Why not also tax luxury yachts and expensive watches?’ While we want a system that is progressive, we do not want to introduce a myriad of new taxes. That is why we are focusing on cars—one of the major purchases in most people’s lives. Like houses, which I have already mentioned, cars are purchased by almost everyone. This means that there is scope to differentiate between different people based on their financial means. Also, like houses, cars are one of the biggest purchases in most people’s lives, so tax rates do not need to be high in order to achieve the government’s revenue needs.

To expand this tax to a whole range of other minor transactions would add a raft of complications: it would add multiple new taxes, each of which would raise much revenue; it would add administrative complexity for many businesses, and it would require separate assessments of what is a luxury good for each and every category. When one considers the objectives of equity and sim-

plicity, it would not make sense to expand the approach across a range of other expenditures.

Senator Abetz interjecting—

Senator JACINTA COLLINS—Let me address again, as Senator Abetz interjects, the issue of opposition hypocrisy. Given that this measure satisfies these criteria, it comes as some surprise to see the opposition so opposed to this tax measure. It is even more surprising given that they introduced the very idea, as much as they have sought to hide that. Since 1979, when John Howard was Treasurer, Australian governments have taxed luxury vehicles more heavily than other vehicles.

Senator Abetz—Wrong!

Senator JACINTA COLLINS—Yes indeed, Senator Abetz. For those such as you who want to be pedantic, the measure introduced in 1979 was a depreciation limit on luxury cars. In effect it was a differential tax treatment.

Why the opposition has sought to hide its role in introducing differential tax treatments for luxury cars is beyond me. It is a fairly simple concept that is easily observed by anyone who understands the history in this area. If you looked at the report of the Senate committee you would be stunned at the success that the opposition had at trying to move away from their role in relation to luxury vehicles.

The differential treatment was continued, with different rates of wholesale sales tax. Indeed, the luxury car tax was introduced by the previous government on 1 July 2000 when the GST was introduced and the wholesale sales tax was abolished. The previous government did this to preserve the impact of a differential treatment under the wholesales sales tax. In 2000, the previous government thought it was appropriate to tax luxury cars at a higher rate than other cars.

Now that they are in opposition, the temptation to wreak havoc seems to be all that lies behind their reversal of policy. Indeed, they have even sought to hide their role in the original introduction of such differential treatment of luxury cars.

With this bill we are not introducing a new tax; we are changing the tax rate on a tax that was introduced by the previous government. A change in the tax rate is appropriate given the economic conditions that we face. Let me revisit those economic conditions in case some of the senators need a reminder of the economic circumstances that Australian families are currently facing. The global economy is in a very difficult position. It faces some of the biggest challenges that have been seen for many years. The world simultaneously faces the global credit crunch and steep rises in oil prices. Either of those factors on its own would create instability and threaten growth.

Rather than work with the government of the day in a sensible approach to try to ensure long-term growth in our strategy with respect to the budget surplus, what does this opposition seek to do? It seeks to eat away at the very surplus we will be using to invest in our future. It seeks to eat away at our capacity to operate the Building Australia Fund for infrastructure, the Education Investment Fund and the Health and Hospitals Fund. This is very surprising given the former government's position on a range of those areas. We know the difficulties we have had in establishing the appropriate infrastructure for our future and the contribution that that has made to our current economic circumstances. Limited investment in infrastructure is one of the problems of our current economic position in Australia. Similarly, industry getting access to skilled and trained workers is a significant problem in meeting our current economic circumstances. And if the Education Investment Fund is eaten away by this

opposition's attempt to sabotage the surplus, it will have a further negative impact on what we are able to do in this area.

As for the Health and Hospitals Fund, this opposition stands here and says, 'We are out there for working families.' Well, you tell those working families that we have limited capacity to roll out the Rudd government's health and hospital measures, which working families around Australia desperately need, because you felt it was necessary to block a luxury car tax. That is the argument you need to put very clearly to the Australian population.

Then again, as I believe Senator Bishop said, this is an opposition that, when they got the numbers in the Senate and they could work the measures that they had been attempting to get through the Senate for many years, went the whole hog, and the Australian public did not like it. It is no surprise that working families did not like Work Choices. All and sundry could have explained that point to the now opposition, but they were blinded by the opportunity that had been presented to them and they went the whole hog.

Now we are in a different situation again. The opposition is seeking to contain the Rudd government's capacity to deliver on a range of very important and significant areas: the Building Australia Fund for infrastructure, the Education Investment Fund for the skills and training necessary to boost industry and the Health and Hospitals Fund to provide those services desperately needed by Australian families.

And what rhetoric does this opposition come up with to sustain their argument? It is not really about the technical details of the luxury car tax. No, they cry about the politics of envy, old class warfare and a range of other rhetoric I had thought was long dead, but which has been revitalised in this debate

and in the dissenting report from coalition senators. That is their first point.

Their second point is that we are pre-empting the Bracks review and the Henry review—this from the opposition that I have heard nothing else from in recent months than, ‘All you’re doing is reviewing, reviewing, reviewing, reviewing, reviewing.’ I am sorry, Senator Abetz, but you cannot have it both ways. What the Rudd government clearly saw was the need to enhance our surplus, to improve revenue and to take more immediate action. Certainly we have triggered a longer term approach to dealing with longstanding difficulties and issues with our tax system, and I more than anyone look forward to the Henry review across a range of areas—many of the areas being addressed were subject to a Senate inquiry that I sought to progress some years ago, and it is very important that the Henry review deal with those issues and those matters—but to hold up a fairly simple, straightforward measure to improve the government’s overall revenue and surplus situation on the basis that we are pre-empting the Bracks review and the Henry review, from this opposition, is simply hypocritical.

Now let us look at the other factors that they raise in their report. Lack of consultation, I thought, was a really good one—lack of consultation on budget measures, from this opposition, the former government. Given the range of areas that this opposition has form in with respect to lack of consultation, I found that one particularly galling. In fact, I found most of the report from dissenting coalition senators on these bills somewhat galling, and I have not heard much in this debate now to enhance my assessment.

Let me conclude by summarising the position that I have covered today. In the face of difficult international economic conditions, the government is adopting a responsible, fiscally conservative position. The luxury car

tax is part of the overall budget position. The tax is moderate and directed at those most able to bear it. It is reckless of the opposition to play politics with the budget in this matter. Interest rate relief, desperately needed by Australian working families, will come more quickly if this opposition responds more responsibly.

Senator JOYCE (Queensland) (9.09 pm)—I rise tonight to talk about what a complete and utter muddle the Labor Party’s position on this is. We have just heard the finale: that, in light of current economic conditions, in light of world macroeconomic conditions, the Labor Party is going to bring about a luxury car tax with the Tax Laws Amendment (Luxury Car Tax) Bill 2008. Let us just take this apart piece by piece, because I think that is what is needed. Let us start from the word go with the history of the luxury car tax, which has been espoused so many times but is completely and utterly wrong in what the Labor Party is putting forward. The luxury car tax was introduced by the Hawke Labor government in August 1986. It is extremely important to get that on the record.

Senator Jacinta Collins interjecting—

Senator JOYCE—What you had before that—what you are referring to, Senator Collins—was a change in depreciation rates by the Fraser government, but there was no tax. Let us just get it right from the word go. They were two completely separate measures.

Senator Jacinta Collins interjecting—

Senator JOYCE—Senator Collins, you should hang around because a lot of this speech is about you. This is the sense of it. We have also heard what Senator Collins talked about at the end. She changed tack halfway through. At the start she was saying that the concept of the luxury car tax and the impending Henry inquiry were disconnected,

but then she changed tack towards the end and said they were connected. This is the Labor Party position which they are going to roll out into other areas of people's lives—a tax on luxury. I find the whole term aggravating—the tax on luxury. Where the Labor Party always fail—they are always absolutely hopeless at it—is in their attention to detail. A typical one is, unfortunately, Senator Marshall saying that the luxury car tax applied to cars—and he was saying something like, 'You've got to get your details right and you've got to know what you're talking about'—worth more than \$57,123, if I can remember it correctly, and you can check the *Hansard*. It is not \$57,123; it is \$57,180—\$57,123 was the previous year.

Senator Chris Evans—At the time of the budget; we all know that.

Senator JOYCE—No, it was not stated about the budget. It said that that was the tax, Senator Evans. So you got it wrong, as you get everything you do with detail wrong. You have not got your details right, and that is why your whole economic policy and economic program are so lacking: because you just do not have an eye to the detail. You just cannot get it right. As soon as you get it right, the future of this nation may be in better hands than it is under you. Until you get those finer details right, if you can march senators in here and have them espouse the wrong amount, it shows that you just have not got your finger on the pulse.

Senator Chris Evans—So are you a member of the Liberal Party or the National Party now?

Senator JOYCE—That is, of course, where you go, Senator Evans, because you are so lacking in acumen to find something substantial to pose in an argument. You are now running the nation, you are now the government and you cannot even clearly dictate your own government's policy in the

chamber here. You have to wait for a backbencher to correct you. What does it say about you and where you are? Let us go through a few of the other things. In a simple message, this so-called luxury car tax is actually attacking the cars that Australia produces. We have Senator Carr out there trying to build up the car industry—and rightly so—and, at the same time, your own government, Senator Evans, is inspiring a tax on the cars that we produce.

In the future, the Indians and the Chinese will produce the cheap cars. We will never compete with them. There is an inelasticity in demand, of over 120,000, in the cars the Europeans produce. You are taxing the cars that the Australian car manufacturing industry produces. And, for the life of me, I cannot work out why you would want to do that. For the life of me I cannot work out why you would want to tax the cars that are providing employment for Australian men and women and keeping them in jobs. There is almost pathos in your approach to this policy. Why would you inspire a tax on an area of demand in which people's response will be to buy a car from another country? Why would you do that? Where did that seed of wisdom come from?

I notice that for every car that Australia produces there will be a version of it in the luxury car tax bracket. I am sure the people of Victoria are going to be absolutely fascinated to hear that the Labor Party is supporting putting them out of a job. This statement almost bowled me over: the tax is to combat inflation. So we are going to put the price of something up to bring inflation down. Who was the economic guru who came up with those words of wisdom? Where did that come from? The whole process is just so moronic. Why would you even bother saying something like that? It is so wrong. But it falls into line with Labor saying, 'The luxury car tax threshold limits starts at \$57,123,'

when it does not; it starts at \$57,180. They do not even know their own policy.

But let us try and make some sense out of this onerous, ridiculous tax. Why on earth is the threshold at \$57,180? Even if you wanted to keep to the scheme, to keep to the picture, I think you should have a look at what was presented at the Senate Standing Committee on Economics. The Federal Chamber of Automotive Industries gave some suggestions about what the tax might be moved to so as to keep some semblance of reality. The chamber presented evidence to the committee showing various indexing scenarios for the luxury car tax threshold since 2000. These showed that, while the luxury car tax has increased from \$55,134 to \$57,180 since 2000, during the same period the threshold would be \$71,106 using the CPI, \$79,950 using the average weekly earnings and \$63,504 if indexed against the average price of the cheapest 'family six'. The cheapest 'family six' is important to me because I have a family of six.

In a sense, the only thing that you can say is that it is a grab for money, and they are going about it in the most base and simplistic way. It is without any sort of rhyme or reason. This is the form of economic policy coming forth from Labor. People ask: 'Why are you going to oppose the luxury car tax?' I will because it is an anachronism. It is a farce. It is a ridiculous compilation of arbitrary ideas with no real purpose, no real meaning and no real substance. That is why I will oppose it. It is not because the Labor Party came up with it; it is because it is a stupid idea. What would be the reasonable approach? A reasonable approach would be for the government to come back and say, 'We are looking at the CPI; we are looking at the average weekly earnings,' or to say that they are looking at anything. But they are not. We just have this ridiculous figure

plucked out of the air that Labor have come up with.

Surely the government would understand that a car over \$57,180 is hardly going to be perceived in the community at large today as being a luxury. Even when the term 'luxury' is used, it suggests the government are trying to gild the facts. If they just said, 'This is a tax to help the Labor Party collect money when it cannot think of another idea,' then they would probably have some sort of position to stand on. But unfortunately the luxury car tax starts to fall into the same realm as other parts of economic policy.

I will quote from the Labor Party's recommendation 3.2 in the economics committee's report. It is about how the Labor Party sees other things that it would possibly determine as a luxury. 'Luxury! I used to live in a hole in the road! Luxury, son!' This is the Labor Party's position. Get ready, Australia; here it comes. This is envy; it is class war detritus being dragged back out. We thought it was dead and buried, but this is what they said:

The committee sees some merit in the argument that it is 'unfair' that luxury cars are taxed but not other luxury purchases—

There is something for the books: 'but not other luxury purchases'; it is a value judgement to determine what they will be—

such as yachts or expensive artworks—

I would love to see their definition of an expensive artwork. There is something for the arts community; get ready—

and jewellery.

This is where they are off to. They continue:

However, as there is already a luxury cars tax, there are less administrative and compliance costs in increasing it ...

So we already have our finger on motor vehicles; we do not have to worry about the others—yet. That is the answer: we do not

have to worry about the others yet. They are coming with the Henry review. It is because there is less compliance cost. They have already got their foot on this issue so they are going to give it a little bit of a kick. This is what it said:

... rather than introducing new taxes on other luxury goods.

So they are getting to the rest:

Introducing any more general luxury taxes should await the Henry review of the tax system.

So there it is. Men and women of Australia; they are coming! They are coming with more taxes for you—and they are going to determine them on a value statement of their belief of what you should and should not have. That will be the basis of it: ‘I believe you should have that; I believe you should not have that.’ Because the Labor Party believes you should not have that they are going to tax you. That is it. It is the inception of envy. It is, you know, the Mr Rudd statement, ‘I’m a fiscal conservative’ with, at the start, a semblance of envy and then a progression of envy and then the delivery of envy policy.

This is it. This is fact. This is what the government said. This is what they are going to do. They put it in their own report. They are going to deliver it to us. I will be honest: it does not matter whether you are talking to a shearer in Baradine, someone in town or a cane farmer up the north coast, they are over that argument. That is the government’s argument, not theirs. That is some sort of ridiculous positioning on what they think people are entitled to and what they are not entitled to. They are entitled to what they can pay for; they are not entitled to the government’s sort of idea: ‘That is beyond what is acceptable; you must come back to the pack; you must be one of us. We are going to tax people because they dare to spend more than \$57,180 on a car.’ What sort of luxury tax are you going to put on houses? Have you got

one of them coming up? Do you have a luxury tax on houses?

Senator Chris Evans—Are you arguing that we should abolish the tax?

Senator JOYCE—What do you think a luxury tax on houses should be, Senator Evans? What sort of house do you think is too good for somebody? What sort of jewellery do you think is too good for somebody, Senator Evans?

The ACTING DEPUTY PRESIDENT (Senator Marshall)—Order! Senator Joyce, please direct your comments through the chair.

Senator JOYCE—I want to know what the Labor Party thinks is too good in jewellery. I want to know what the Labor Party thinks is too good in cars. I want to know what the Labor Party thinks is too good for somebody in art work. I want to know when they decide to make a value judgement on my life and other people’s lives that it is too good for me and that they should tax it. That is why this needs to be stopped. That is why this needs to be voted against—not only because it is ridiculous and stupid and not thought out, and not even because you cannot get your own details right; it is because it is an anachronism that goes back to Australian society and starts once more to divide people.

Senator Chris Evans—Are you arguing against the rate or the tax? Are you going to abolish the tax? What is your position? Answer that question so I can understand your position.

Senator JOYCE—I can understand why you would be upset. And out they come! Oh, yes! When you touch the toothache they start yelling. You know where it is. It is all right! We will be looking around to see what support we get.

Senator Chris Evans—Are you going to abolish the tax?

Senator JOYCE—I can understand that you think we should—

The ACTING DEPUTY PRESIDENT—Order!

Senator JOYCE—I will take the interjection.

The ACTING DEPUTY PRESIDENT—I ask that the chamber come to order!

Senator Parry—Particularly the Leader of the Government.

The ACTING DEPUTY PRESIDENT—No, I do not need your assistance there, Senator Parry. I ask that the Senate come to order.

Senator JOYCE—I can understand why, when we touch the toothache, the Labor Party yell. I can understand that. I can understand why they would get upset. I can understand why we get the interjections—

Senator Chris Evans—Touch the toothache? I don't think Hansard is going to make much sense out of this!

Senator JOYCE—I will take the interjection. They will make more sense out of my statements than your analysis of your own policy, which you cannot get right. You are so unprofessional that you cannot get your own policy right. Nonetheless, this will be an interesting debate as you define what you believe is luxury and what you believe is applicable—that is acceptable, that you can have. The \$57,179 car is all right; you can have that. You can drive it around. But don't you dare aspire to anything; don't you dare try to do something that might take you away from the group. You have to stay with the mob; you have to stay with the pack. That is what is so peculiar about this tax. Australia really and truly believed that we had left this sort of debate behind.

Let us look at some of the other issues. Out in regional Australia it is a matter of course that if you want to drive long distances there are a couple of things that you need. You need a long-range fuel tank. You need the capacity to carry your luggage with you. You need such things as a bull bar, driving lights and airbags. You have to take into account that you might break down so you need the other attachments that go with the car. That is not luxury; that is actually what you need to get around. If I went out to Charleville, to St George where I live, or to other areas, and I looked at people and I said, 'I see you are driving around in a new Nissan Patrol; that's luxury. That Toyota Land-Cruiser, that's luxury. You must be rich. We don't like rich people. You must be rich because you have a car worth over \$57,180. We do not like that. We don't like rich people; we are going to tax rich people'—

Senator Heffernan—No choice, no bloody choice!

Senator Chris Evans—What a combination: Bill and Barney!

Senator JOYCE—This is what you are saying. This is your government's policy.

Senator Chris Evans interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Joyce, resume your seat for a moment. I call the chamber to order.

Senator JOYCE—I can understand why, when you touch the toothache, the culprit yells. This is the thing: this crazy definition that you have now decided on of who is in and who is out. So I would like to ask the Labor Party: are they going to make exemptions for people who have to use these cars as a matter of course, as a standard fare? It is not a luxury but probably something that, under your own occupational health and safety standards, you would require people to drive around in. Is there going to be an exemption for that? Or what are we going to

put the kids in? Are we going to stick them—like when I was a kid—in the back of the station wagon? Are we going to sit them in the back of a station wagon so we can get under the price? This is going to get voted down. This is going to get voted out I hope, not because the Labor Party came up with it but because it is such a ridiculous anachronistic step back into the past. (*Time expired*)

Senator XENOPHON (South Australia) (9.30 pm)—My position in this second reading debate is that I will support the Tax Laws Amendment (Luxury Car Tax) Bill 2008 and related bills but I will reserve my position in respect to the third reading. The Australian automotive manufacturing industry is a major part of the national economy, with exports growing to just under \$5 billion in 2007. Last year over one million vehicles were sold in Australia with 19.1 per cent of the vehicles being produced locally. In my home state of South Australia, General Motors, GMH, is a significant contributor to the South Australian economy through not only revenue from vehicle sales but also employment for the communities around Elizabeth in Adelaide's northern urban fringe. Consequently, I am keen to support the ongoing viability of the South Australian car industry by measures that might increase the sales of locally produced vehicles.

I note from the report of the Senate Standing Committee on Economics that, in 2007, the luxury car tax applied to 12 per cent of vehicles compared to 4.5 per cent of like vehicles in 1986. That probably reflects the fact that the tax has not been indexed in that time. I also note the concerns of the coalition in relation to this tax and would like to address some of those concerns. I had the benefit of further discussions with the government today in relation to this legislation and I raised my concerns. My first concern is the issue of the cut-off date and when it will apply. As I understand the bill in its current

form, if there is a contract entered into on or before 7.30 pm on 13 May and the vehicle is not delivered until after 1 July, that vehicle will be caught by this proposed tax. I have serious concerns about the fairness of that. It is my view that if a bona fide contract was entered into in good faith prior to this budget announcement being made then it would be fundamentally unfair for an additional tax to be imposed when at the time you entered into that contract you had no knowledge that a new tax was going to be imposed. That is an initial concern that I raised with the government.

The second issue I raised relates to the issue of indexation. Currently the threshold for the luxury car tax is indexed according to the CPIMV, which is contentious. I think that was acknowledged in the Senate inquiry report. It involves the use of quality adjustment explained by the Australian Bureau of Statistics as:

Whenever a specification change is made to a vehicle that affects its motoring performance, economy, comfort level, safety or durability ... an adjustment is made to the car's reported price to allow for that portion of the price change that can be attributed to the quality change.

My concern in relation to that is that it does not reflect the actual prices paid by consumers, and I have raised with the government the whole issue of its being indexed according to the CPI, not according to the CPIMV as defined by the Australian Bureau of Statistics. I understand that the government will provide me with details of what the modelling shows the projected costs of that will be if the CPI—as distinct from the CPIMV—is applied prospectively or applied from 1 July of this year. When I receive that information I will be more than happy to share it with my colleagues.

The third issue that I raised—and it is something that Senator Milne has raised publicly—is the issue of low-emission vehicles.

It is my view that if we are to set an example on reducing greenhouse gases and tackling climate change then placing an additional tax on low-emission, fuel-efficient vehicles sends a poor signal. That is something that I have raised with the government, and I understand it is also something that Senator Milne has raised and discussed with the government in some detail. We already have a luxury car tax and it is the question of increasing the rate by some eight per cent that is in contention. I do not think that those who oppose the tax are suggesting that we remove the luxury car tax; it is a question of the rate. It is important that we send some price signals about those vehicles that are ultra fuel-efficient—whether they be hybrid or non-hybrid and simply particularly fuel efficient—that will be an encouragement for the purchasers of those types of vehicles relative to, say, the Hummers. And I think that is something—

Senator Heffernan—A LandCruiser is not a Hummer.

Senator XENOPHON—Senator Heffernan makes the point that a LandCruiser is not a Hummer. I was not suggesting in any way that the two should be compared. I am not suggesting that at all. I am talking about the gas-guzzling vehicles. I think the Hummer has fairly poor fuel economy for what it does and I believe that there ought to be some consideration given to the ultra fuel-efficient vehicles.

I can indicate that I will support the second reading stage of this bill, but I reserve my position with respect to the third reading. I look forward to hearing from the government as to the whole issue of indexation, which is a particular concern to me—as to what they say it will cost. In relation to that, could I just raise the whole issue of unintended consequences. I think that we should learn from the lessons. I think it was at the

time of the Hawke government back in 1990, and the tax was introduced in the 1986 budget. It was increased, according to the dissenting report of the coalition, in May 1990, but by August 1990 the tax was dropped. My understanding is that it was dropped because there was an overall drop in revenue because sales of the vehicles that fitted into this category had plummeted. So I think it is important that, in the context of considering the consequences of this legislation, we bear that lesson in mind that occurred at the time of the Hawke government.

I can indicate that I did raise with the government—and I would be grateful if this could be placed on the record, in terms of the government's response—the modelling that has been done in terms of the revenue forecasts for this luxury car tax, in terms of buyer behaviour, consumer behaviour. My understanding is—and the government can confirm this—that it has just been done on a pro rata basis. I guess that is one way of looking at it, but I think we need to learn from the lesson of 1990: if you push the rate up too high, you may have some unintended consequences. I am not suggesting that what is being proposed here is as high as the shock, if you like, of what occurred back in 1990, but it is a salutary lesson and that is why I am keen to hear from the government in relation to the whole issue of indexation. I look forward, should this bill pass the second reading stage, to the committee stage of this bill.

Senator BUSHBY (Tasmania) (9.40 pm)—The Tax Laws Amendment (Luxury Car Tax) Bill 2008 and related bills are further clear examples of a government far more interested in trying to manage its public image than in getting on and governing the nation in the interests of its people. The fact is that if the government had made no policy changes in its budget in May this year the surplus would have been around \$22 billion.

That is right—no new taxes, no cuts in spending and the result would have been not too different to what we saw after all its dramatic ‘economically responsible’ cuts to vital services and all its new taxes. And I tell you, there are new taxes in the budget—some \$19.7 billion of them over five years—and, interestingly, the only new tax cut included in the budget was for foreigners, with a reduction in the withholding tax for managed investment funds of \$630 million over four years.

So what was the need for all these new taxes? They were needed because the Labor government also increased government spending—that is, new government spending—by a massive \$34 billion over five years. That is \$34 billion in new spending. For a government decrying the need to slash spending to keep the inflation rate cancer genie in a bottle, that seems a lot. But it is also the reason why it needed to slash existing programs by \$18 million over five years, taking money away from the Auditor-General, the Ombudsman and the CSIRO, as well as funding for innovation and R&D programs. I can understand the ABS cuts. Their cuts to the labour market series will help obfuscate rising unemployment trends. And the list goes on. All the vital program cuts and new taxes are referred to by the government as ‘savings’.

One of these new government savings is the subject matter of the bills before us today. The government has budgeted \$555 million over four years for the savings from this measure, but the evidence from the Senate inquiry into these bills and elsewhere has shown time and again that this figure is pure conjecture at best and, in all likelihood, unlikely to be realised. This is because it is based on first-round effects only. It is calculated on the basis of a pure change in the rate and assumes very little, if any, elasticity of demand for the vehicles priced above the

threshold. But the reality is that buyers of cars around the threshold for this tax are highly price sensitive and that there is a high level of price elasticity. In fact, the sales evidence for July this year is clearly proving that the sales of cars above the threshold will fall dramatically as a result of this measure. The higher the price of the car the more likely that the buyers are people who have the means to pay the cost of the car plus any taxes that might be put on it. Certainly, when looking at Aston Martins and S-class Mercedes, which cost many hundreds of thousands of dollars, many of the buyers would be in a position to not be too concerned about the extra imposition of these bills—even more so, when looking at purchases of \$1 million-plus Rolls-Royces.

But it is not in the Rolls-Royce price range that the government makes the bulk of its money on this tax. Indeed, the importers of Rolls-Royce in Australia were delighted to recently report a huge increase in sales in 2007-08—a total sales figure in that year of 12 cars. Between the threshold of \$57,180 and around \$75,000 is where the vast majority of the cars attracting this tax are sold and it is where the vast majority of tax takings are generated. Indeed, almost 60 per cent of all vehicles incurring the luxury car tax are priced below \$70,000. So this price range is where the effect on sales figures needs to be examined. The sales figures for July and the advance orders being received by car retailers report a huge downturn in this very price range. If this trend is wholly or even in part due to the imposition of the higher car tax and it continues, the potential increase in the take by the government as a result of the tax increase could be far less than anticipated. Some car retailers even suggested during the Senate hearings that, based on their figures, it could even cost the government money as the sales fall to such a low that less tax is

generated than was raised prior to its introduction.

But the problems with the measures contained in these bills extend further than just the likelihood or not of their achieving the budgeted tax increase. The new measures are likely to have quite perverse results for local car manufacturers, on incentives to fit and availability of safety equipment and on environmentally friendly technologies and will decrease the possibility for those with less income to access cars better equipped with safety and green technologies.

The reality is that most cars around the threshold and up to \$100,000 are bought by people who would love to buy an S-class or another top of the range European luxury car but who do not have the means and who have to be careful with their money. They love the safety features of these cars and they love the efficient new environmentally friendly technology of these cars but they do not have unlimited resources. As such, they buy the best car they can afford, the car that comes with the most features that they desire and, again, can afford. The price of these cars is vital to their purchasing decision. Adding to the price of cars within this price range will seriously impact upon the purchasing decisions of those who buy them. They will either have to buy a lesser spec car at a price comparable to the pre-tax-hike figure or not buy the car at all. In making such a decision, they may be forced to abandon the choice to purchase additional airbags or the latest dynamic stability control or even be forced to purchase a non-hybrid version of the same or a different car.

It is a generally known rule of the business of car retailing that the base models, which turn over the highest volume, do so with a lower margin and that the viability of many retail operations depends on the much higher margins that are applied to the higher

spec models. This was confirmed by questioning of car retailers in the Adelaide hearings of the inquiry. It was also noted that car manufacturers in Australia also rely on this sales principle—that is, the top end sales of Calais, Statesmans, Caprices, HSVs; fully loaded Toyota Aurions; and Ford G6Es, XR8s, Territories and FPVs contribute more to the viability of car manufacturers per car than do the sales of the base models. This is where this government is seeking to attack local car manufacturers and retailers of locally made cars—right where they make the margin that makes them viable.

The increase in the tax will also have a serious impact on the delivery of innovative safety options on new cars in Australia. History shows us that almost all new innovations in safety equipment have been developed at significant cost by major luxury brands. These include ABS brakes, airbags, electronic stability control and traction control. The manufacturers of these high-end cars need to price their cars accordingly to cover the substantial development cost of innovative safety features. As such, when first developed these features are not readily available on mass market cars. However, as the technology is proven and as economies of scale kick in, these technologies do become available in what is termed the trickle-down effect. Progressively, less expensive cars gain them as an option and then as standard until over a period of years these features are available on even the least expensive vehicles. The relevance of this to these bills is that their passing would work to delay the trickle-down effect on the introduction of this technology, thereby delaying the benefit of it to Australians at given price-points.

There is no doubt that the luxury car tax is a tax on innovation, even as it stands. But to increase it further makes it even more likely that it will be longer before we see such in-

novations in Australia on lower and middle priced cars. Quite clearly, I am not saying that the passing of the bills would lead to less safe cars being built or imported into Australia, as disingenuously and repeatedly suggested by one government senator at the hearings into these bills. On the contrary, what I am saying and what the evidence at the hearings supported is that Australians buying cars to a price will sacrifice some of these new features in order to be able to afford the car and the newly raised tax. Similarly, some manufacturers and importers will build and import cars without some of these features in order to remain competitive on price—all at a loss for Australian consumers.

A similar argument was supported on the evidence in relation to technological developments delivering more efficient and environmentally friendly vehicles. For trickle-down reasons and to cover high development costs, the cost of these cars can often be above the tax threshold. Or the cost of adding environmentally friendly options may push the cost of these cars over the threshold or render the purchase uneconomical when combined with the higher tax. Whether you are a climate change prophet or a heretic who dares to refuse to believe the gospel on climate change, you would think all would consider it advisable to promote vehicle technology that delivers less pollution and better efficiency. Yet here we see a government raising taxes and imposing a disincentive to buy cars and options which do just that. Further, you would think that a Labor government—all flavours of governments—would want to see more people able to afford cars that are well equipped with safety and technological features.

Debate interrupted.

ADJOURNMENT

The PRESIDENT—Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

World Youth Day

Senator STEPHENS (New South Wales—Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion) (9.50 pm)—This evening can I reflect on the success of the World Youth Day celebrations in Sydney, which occurred from 15 to 21 July. As someone who participated actively in all of the formal events, I want to place on record some of the extraordinary achievements of that week but also thank those who were involved from both the New South Wales government agencies and the Commonwealth government agencies for the extraordinary effort they put in to ensuring that World Youth Day was a phenomenal success.

Hundreds of thousands of pilgrims and visitors came to Sydney. Over 170 nations were represented at the World Youth Day events. The Holy Father's first visit to Sydney attracted extraordinary interest from the media, from pilgrims, from Sydneysiders and from other visitors who were drawn to Sydney for the event. In excess of 500,000 people gathered to greet the Holy Father at Barangaroo—which was a spectacular event in itself—and in excess of 400,000 participated in the final mass at Randwick racecourse. I am very pleased to say that Randwick racecourse was handed back to the AJC last week, well within time and in a great state of repair.

Two hundred and twenty three thousand pilgrims were registered for services, and access to the venues included 110,000 pilgrims from overseas. Before the official World Youth Day celebrations, 70,000 pilgrims arrived and participated in Days in the

Dioceses around Australia. That was an extraordinary result and provided enormous pastoral opportunities but also very significant economic benefits to the local communities that participated.

Four thousand priests and deacons, 420 bishops and 26 cardinals were registered. The Marjorie Birds—the beautiful embroidered chasubles—were distributed to each of the bishops and cardinals, and 1.1 million communion hosts were prepared for the events of World Youth Day week. Four hundred and fifty youth events took place at over 100 venues and 30 large national gatherings occurred during World Youth Day.

One of the things that we saw was the extraordinary extent to which Sydneysiders opened their hearts and their homes to the pilgrims. Over 100,000 pilgrims slept in 400 schools and parishes, and 12,000 pilgrims were accommodated at Sydney Olympic Park throughout the week. As part of the World Youth Day homestay program, 25,000 pilgrims were billeted. Twenty-five million food items were prepared. During the week, 3.6 million meals were distributed across approximately 400 venues, and in those 3.6 million meals 360,000 lamingtons and 100,000 litres of Dairy Farmers milk were consumed by the pilgrims.

Senator Johnston—The loaves and the fishes!

Senator STEPHENS—Yes, it was a bit like the loaves and fishes! You can see the extent to which an extraordinary logistical effort went into ensuring the success of World Youth Day.

The events were watched live by a combined television and internet audience estimated to have reached one billion people around the world. Over 2,000 journalists were present in Sydney for the event, and thousands of stories and anecdotes about how World Youth Day affected ordinary

people were part of the public broadcasting and reporting of the spectacular events. A Muslim cab driver spoke on radio about how he had never seen so many people in Australia gathered enthusiastically for anything but sport. He was very happy that they were actually gathering for God. The Police Commissioner reported that the crime rate dropped significantly in Sydney during World Youth Day. The crowd control that was involved required nothing more than a piece of string and a polite request to pilgrims to stay behind it. Office workers and Sydneysiders still talk about the tangible joy that was in the city streets. Police reported that for the first time in their working lives crowds of young people waved to them, thanked them for their work and told them that they loved them. Drivers of trains and buses took on extra shifts and went out of their way to get pilgrims to and from their destinations. The *Daily Telegraph* reported:

It could have been the tambourines, the happy pilgrims or even the lamington-munching nuns. Whatever it was—it is now official. Sydney loved World Youth Day. After grumbling before the event, most Sydneysiders changed their tune, thinking it great for Sydney.

The paper went on to report a Galaxy poll that found 71 per cent of respondents thought that World Youth Day was a good thing and 81 per cent were glad that thousands of young people enjoyed themselves without being a nuisance.

We started with the opening mass at Barangaroo, which was quite spectacular. It even rated a mention on the *Footy Show* when they managed to find amid all the national flags someone furiously waving a Manly Warringah flag in the crowd. The World Youth Day projections on the Sydney Harbour Bridge were beautiful images that made a spectacular sight at night. The cross and the icon were present at the opening mass, having travelled about 80,000 kilome-

tres around Australia and having visited over 400 communities. And the concert that followed the opening mass at Barangaroo was a very joyous and creative occasion for the thousands of young people. Of course, nothing could surpass Super Thursday, which was the papal arrival. On the Thursday, 500,000 people came out to welcome His Holiness when he was welcomed to country by Aboriginal elders. He travelled down Sydney Harbour in the spectacular 'boatorcade', arrived at Barangaroo for the welcome ceremony and then departed through the streets in the papal motorcade. He said himself that it was an exceptional harbour and a magnificent beginning.

Who can forget the Stations of the Cross, that spectacular theatrical and devotional re-enactment of the last days of Christ's life with over 100 actors taking place in the streets of Sydney with Sydney's icons as its backdrop? The event drew massive crowds at each of the live stages and was televised live around Australia on SBS and through the broadcast partners around the globe, as I said, to about a billion people worldwide. The *Sydney Morning Herald*, the *Australian* and the *Daily Telegraph* newspapers each featured the event on the front page of their Saturday editions and those papers have actually become collector's items for the event.

You can see when you get to the kinds of activities that were involved in World Youth Day that there was an extraordinary effort. The World Youth Day Co-ordination Authority, which was established by the New South Wales government as part of the organising strategy, was led very ably by Mr Roy Wake-*lin-King* as chief executive officer. He coordinated everything and the logistics were quite extraordinary. From the federal government we had a very strong presence and contribution. Ms Helen Cox from the Department of Resources, Energy and Tourism led the tight little team in that department

that coordinated everything. We have to think about the tourism opportunities and potential—amazing. We had the Attorney General's contribution, Protective Services and the Australian Federal Police. We had DFAT. We had the National Archives. We had the Tourism Australia Facebook site, which had thousands and thousands of hits. We had the Department of Immigration and Citizenship supporting the visa applications, and over 70,000 specific World Youth Day visas were issued.

An event like this, which could be considered to be one of the most extraordinary, powerful, uplifting and moving events of the century, took place and played out in our streets of Sydney in a way in which no-one expected that we could have such a success. It came down to the fact that people were committed and that they were prepared to volunteer. We had 8,000 volunteers working around the clock in Sydney over that period of time. We had volunteers in all shapes and sizes. We had commitment. We had a contribution. We had a sense that this was really about the youth of tomorrow, and I think it is an event that all of Australia can rightly be proud of.

Victorian Criminal Justice System

Senator FIFIELD (Victoria) (9.59 pm)— I should indicate at this point that this will be a change of pace and tone. If there were ever two words that should never be combined in the same sentence they are 'parole' and 'murderer'—unless, that is, these nouns are modified by the verb 'denied'. The idea that convicted killers should be released from prison before their time is both obscene and absurd. Such misplaced leniency is an insult to the families of their past victims and it is an injury to the future victims who are likely to suffer from new acts of thuggery.

The figures speak for themselves. Sixty-four per cent of paroled inmates will be

found guilty of a new offence within two years of leaving prison. Almost half of Victoria's convicted killers and 51 per cent of the state's sex offenders will commit fresh criminal acts within seven years of their discharge. But statistics, however grim, can only tell you so much. Above all else, this is about people. This is a human story of innocent Victorians brutalised by convicted criminals who should never have seen the outside of a prison cell.

The toll of tragedy includes Colleen and Laura Irwin, the 20-something sisters who were raped and killed in January 2006 by William John Watkins. The truly awful thing about the Irwin murders is that, with a bit of judicial common sense, they need never have happened. Watkins had a lengthy record of violent offences that included convictions for sexual assault and bashing a blind, elderly woman. He was clearly a ticking crime bomb, a rampage waiting to happen. Watkins was already serving time when he was prosecuted in 2000 for additional acts of criminal violence. He was found guilty, but for reasons that defy comprehension the court allowed him to serve his new jail sentences concurrently. And so this hoodlum's already inadequate stint behind bars was extended by a mere 90 days. William Watkins was released from prison in an act of official folly for which two innocent young women paid the ultimate price. In May 2004, he moved into the same apartment building where the Irwin sisters lived. Eighteen months later, the girls were dead.

Then there is Michael Vincent Lane, who in 2003 was convicted of strangling his mother to death. But, like William Watkins, Lane should never have been in a position to touch a hair on anyone's head. At the time he committed this killing, he was enjoying the unjustified freedom of a parole from a previous jail term for murder. And earlier this year, another killer was prematurely set free

from his cell. The trial judge handed down a life sentence to Anthony Arthur Stone for the rape, mutilation and stabbing death of an intellectually disabled woman. But in the doublespeak of the Victorian court system, life in prison means anything but. Stone was granted parole at the earliest possible date and today he walks our streets a free man.

The Watkins, Lane and Stone cases are emblematic of a justice system that has lost its way. Our courts appear to be more concerned about the privileges of the guilty than the protection of the innocent. How else can you explain why, just a week or so ago, four young thugs escaped jail time for an unprovoked act of savage, racist violence? How else can you explain why four young hooligans received slap-on-the-wrist sentences for the drug-fuelled bashing of a refugee that they committed in Melton, Victoria?

Seventeen-year-old Sudanese migrant Ajang Gor was minding his own business on his way home from work when he was set upon by a band of barbarians who struck him with a bottle while hurling racist abuse at him. These brutes called Mr Gor a 'black dog' as they beat him into unconsciousness. They then stole his mobile phone and left him battered and bloodied by the side of the road. And, even after their arrest, these bullies continued with their racist rant, saying that this innocent teenage refugee 'was a bitch and shouldn't be in this country'.

The assault on Mr Gor was an outrageous act of bigotry and brutality. But then the Victorian County Court added insult to Mr. Gor's injury by handing down sentences that surely did not fit the crime. Now, it must be conceded that the trial judge talked a good game. In his sentencing statement His Honour declared:

This type of violent attack on a defenceless young man is deplorable and must be discouraged.

But it turns out that in this case talk was cheap. In fact, it could be said that the trial judge talked the talk but did not walk the walk. For all practical intents and purposes, the racist thugs who beat senseless a helpless teenager got off scot-free—or close to it. His Honour felt that prison terms were not appropriate for such ‘immature offenders’. And so, despite the fact that one of these individuals had prior convictions for violence, they walked out of the courtroom with a suspended sentence and community service orders.

But, if these hoodlums were mature enough to beat Ajang Gor to a pulp, they were mature enough to pay an appropriate price for their actions. If they were mature enough to do the crime, they should have been deemed mature enough to serve an appropriate sentence. I would like to ask His Honour how he reconciles his desire to ‘discourage’ thuggish violence with such indulgent punishment. The assailants of Ajang Gor did not appear particularly discouraged by their experiences with the criminal justice system. In fact, they seemed outright triumphant. The *Herald Sun* described their post-trial demeanour thus:

Four men who savagely bashed and racially abused a Sudanese teenager laughed and joked as they walked free from court today ... The four men laughed and shook hands with each other and one of them said “let’s go to the pub to celebrate.”

If this is what passes for deterrence in the Victorian court system today then we are all in trouble. Lenient sentencing and lax parole policies have transformed Victorian prisons into revolving door holding pens that release far too many predators far too soon. And this massive policy failure is the direct responsibility of those who write our laws and appoint our judges.

The most sacred responsibility, surely, of government is to provide for the safety of its

citizens. But Premier John Brumby and Attorney-General Rob Hulls have proven derelict in their duty towards even the most vulnerable members of our society. The Premier’s own Sentencing Advisory Council confirmed that not even half of our state’s child rapists ever see the inside of a prison cell. The Victorian Labor government has abandoned the best of us to the none-too-tender-mercies of the worst of us.

Director of Public Prosecutions Jeremy Rapke QC recently went on the record to express his dismay over this ‘softly-softly’ approach to crime and punishment. There are too many Victorian judges who excuse the inexcusable by handing down indulgent sentences which, as Rapke rightly says, ‘devalue’ the gravity of serious offences. The primary purpose of our criminal justice system is to keep the lawless from preying on the lawful and, if an overly permissive judiciary fails to ensure our protection, then parliament is morally obligated to fill that breach of trust.

But such deliverance will not come from a Labor government that has been stacking the Victorian court with powder puff judges since 1999. Victoria is in dire need of ‘truth in sentencing’ legislation that will abolish parole for violent offences and impose lengthy mandatory minimum prison terms for heinous crimes. With such laws in place, for the first time in a long time, villains would be forced to take their crimes as seriously as their victims do.

Senate adjourned at 10.09 pm

DOCUMENTS**Tabling**

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]

Civil Aviation Act—Civil Aviation Safety Regulations—Airworthiness Directives—Part 105—

AD/EC 225/3—Main Rotor Blade De-Icing System Harness Connectors [F2008L03223]*.

AD/HU 369/121 Amdt 1—Vertical Stabilizer Control System Adapter Tubes [F2008L03242]*.

AD/S-PUMA/78 Amdt 1—Main Rotor Blade De-Icing System Clamps [F2008L03222]*.

Commissioner of Taxation—Public rulings—

Class Ruling CR 2008/55.

Fuel Tax Ruling—Addendum—FTR 2007/1.

Goods and Services Tax Determination GSTD 2008/2.

Taxation Rulings—

Notice of Withdrawal—TR 94/12.

TR 2008/5-TR 2008/7.

Corporations Act—Accounting Standard AASB 2008-7—Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [F2008L03231]*.

Customs Act—

Tariff Concession Orders—

0720625 [F2008L03198]*.

0802394 [F2008L03011]*.

0802555 [F2008L03199]*.

0802666 [F2008L03200]*.

0802771 [F2008L03201]*.

0802963 [F2008L03203]*.

0803010 [F2008L03204]*.

0803237 [F2008L03099]*.

0803243 [F2008L03098]*.

0803608 [F2008L03205]*.

0803626 [F2008L03206]*.

0803925 [F2008L03105]*.

0804296 [F2008L03093]*.

0804311 [F2008L03094]*.

0804335 [F2008L03090]*.

0804345 [F2008L03092]*.

0804348 [F2008L03088]*.

0804353 [F2008L03089]*.

0804357 [F2008L03086]*.

0804363 [F2008L03087]*.

0804764 [F2008L03225]*.

0806087 [F2008L03109]*.

0807192 [F2008L03154]*.

0807510 [F2008L03134]*.

0807796 [F2008L03159]*.

0807826 [F2008L03158]*.

0807949 [F2008L03157]*.

0807953 [F2008L03127]*.

0808248 [F2008L03163]*.

0808249 [F2008L03162]*.

0809125 [F2008L03149]*.

0809131 [F2008L03148]*.

0809365 [F2008L03211]*.

Tariff Concession Revocation Instruments—

64/2008 [F2008L03212]*.

65/2008 [F2008L03213]*.

66/2008 [F2008L03214]*.

68/2008 [F2008L03216]*.

69/2008 [F2008L03217]*.

Financial Management and Accountability Act—Determinations—

2008/64—Section 32 (Transfer of Functions from the former DITR to DIISR) [F2008L03218]*.

2008/65—Section 32 (Transfer of Functions from the former DCITA to DBCDE) [F2008L03221]*.

Therapeutic Goods Act—Poisons Standard Amendment No. 2 of 2008 [F2008L03261]*.

* Explanatory statement tabled with legislative instrument.

Departmental and Agency Contracts

The following documents were tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2008—Letters of advice—

Finance and Deregulation portfolio agencies.

Human Services portfolio agencies.

Prime Minister and Cabinet portfolio agencies.

Treasury portfolio agencies.

Indexed Lists of Files

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2007—Statement of compliance—Office of the Official Secretary to the Governor-General.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Pest and Weed Management
(Question No. 488)**

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 17 June 2008:

Noting the Government's commitment to a National Weeds and Productivity Research Program and a National Cane Toad Plan and innovation fund: Can details be provided of all other programs which are directed towards pest and or weed management, including their time frames and funding.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator's question:

In the 2008-09 transition year, the Australian Government's Caring for our Country initiative (\$2.25 billion over the first 5 years) is providing funding for pest and weed management activities through a variety of avenues.

For example, community groups, regional natural resource management organisations and other legal entities were invited to apply for funding to undertake weed control under the Community Coastcare and Open Grants funding rounds; and to undertake pest animal control through the Open Grants funding round.

Regional organisations had the opportunity to seek funding for both pest animal and weed control as part of their regional investment strategies.

The Community Coastcare and Open Grants funding rounds closed on 25 July 2008 and 1 August 2008 respectively. Regional organisations submitted their regional investment strategies between April and June 2008.

As part of Caring for our Country, the Government will also be spending \$2m to implement its 2007 election commitment to help stop the spread of Cane Toads.

In future years, the Caring for our Country business plan will outline the Australian Government's five year outcomes and shorter-term targets and priorities for investment in pest and weed control activities. It will also establish a simplified and integrated process for interested groups to submit proposals for activities that will contribute to achieving these outcomes, targets and priorities.

The first Caring for our Country Business Plan is due to be released in September 2008 for the 2009-10 funding year. Relevant organisations, including local councils, will be able to submit proposals to undertake activities that will contribute to the outcomes identified in this business plan.

In addition to Caring for our Country funding, approximately \$2.5 million per annum over the next 3 years will be allocated from the Environment Protection and Biodiversity Conservation program to fund key invasive species strategic projects such as those identified in Threat Abatement Plans (TAPs) made under the Environment Protection and Biodiversity Act 1999 and as key emerging priorities (eg fish, pathogens, invertebrates. There are currently TAPs for: cats, goats, rabbits, foxes, beak and feather disease, phytophthora cinnamomi, chytrid fungus, pigs and tramp ants.

Prime Minister and Cabinet: Printer Products
(Question No. 535)

Senator Milne asked the Minister for Climate Change and Water, upon notice, on 14 July 2008:

- (1) Does the department have a policy regarding the use of remanufactured printer products as opposed to buying new ones; if so, does the department assess the cost and re-useability of the product as part of its decision-making in regard to the policy.
- (2) Does the department have a policy directive to use remanufactured printer products and, by doing so, lower the balance of payments through reducing imports.
- (3) What environmental standard has the department put in place in regard to the disposal of printer cartridges.
- (4) Is the Minister aware that several of the printer companies are now putting chips in printer cartridges so that they cannot be re-used.
- (5) Does the department have any contractual arrangements with Lexmark or Epson; if so, is the department party to any 'Prebate' program.
- (6) Does the department know what happens to the printer cartridges when they are empty.
- (7) With whom does the department hold a printer supply contract and what are the conditions of the contract.
- (8) How much does the department spend on printer cartridges each financial year.
- (9) Does the department use Planet Ark to recycle cartridges.
- (10) Does the department use foreign companies such as Corporate Express when purchasing Printer Cartridges.

Senator Wong—The answer to the honourable senator's question is as follows:

- (1) The Department does not have a policy regarding the use of remanufactured printer products as opposed to buying new ones.
- (2) The Department does not have a policy directive to use remanufactured printer products.
- (3) Since its creation the Department of Climate Change (DCC) has relied on the Department of Environment, Water, Heritage and the Arts (DEWHA) for the provision of corporate support functions as it transitions to being able to undertake these activities in house. To this end the Department has utilised DEWHA's reporting regimes and has accessed DEWHA's Environmental Management System (EMS). Under the EMS, all spent cartridges are forwarded to a company specialising in resource recovery for recycling.
- (4) I have been advised that this is the case.
- (5) The Department does not have any contractual arrangements with Lexmark or Epson.
- (6) The cartridges are transported to recycling company. It is understood that over 50% of the laser cartridges are sent to the original equipment manufacturers for their remanufacturing or component recovery programs. The remaining cartridges are broken down and processed to recycle their component parts into new products.
- (7) As mentioned above, the DCC is relying on DEWHA for the provision of corporate support functions including IT services. DEWHA has a contract with Volante Pty Ltd for IT Managed services which includes the supply and support of desktop equipment, including printers. Printer consumables are not within the scope of the agreement.
- (8) It is anticipated that DCC will spend approx \$35,000 on printer cartridges in 2008/09.

- (9) The department uses the 'Cartridges 4 Planet Ark' recycling program which is organised by Planet Ark in partnership with the resource recovery specialist.
- (10) The Department adheres to the Commonwealth Procurement Guidelines. Foreign companies are not excluded from this process.

Proposed Pulp Mill
(Question No. 557)

Senator Milne asked the Minister representing the Minister for the Environment, Heritage and the Arts, upon notice, on 18 July 2008:

- (1) Has an assessment been made in relation to the effluent outfall of the proposed Gunns Limited pulp mill in northern Tasmania and its impact on the bottlenose dolphin (*Tursiops truncatus*).
- (2) Research undertaken by Dr Stewart Godfrey, a retired Commonwealth Scientific and Industrial Research Organisation oceanographer, found that the mill's effluent will impact on both Commonwealth and Tasmanian waters and given that the department has received Dr Godfrey's research and accepted further advice that it is scientifically sound, what is the department doing to ensure Commonwealth marine waters and species listed under the Environment Protection and Biodiversity Conservation Act 1999 are not exposed to these effluent loads.
- (3) Is the Commonwealth in receipt of scientific advice that the mill will breach Commonwealth conditions each day of its operation if it does not install a tertiary treatment plant.
- (4) If sewage effluent is added to the outfall pipe, will a new Commonwealth approval be required.

Senator Wong—The Minister for the Environment, Heritage and the Arts has provided the following answer to the honourable senator's question:

- (1) The bottlenose dolphin (*Tursiops truncatus*) is not a listed species under the EPBC Act. The assessment process looked closely at impacts on the Commonwealth Marine Area, which incorporates all elements of the environment, including dolphins.
- (2) The approval conditions contain a range of measures to protect the Commonwealth marine area and listed species; including requirements for additional modelling to determine the fate of effluents, comprehensive monitoring programs over the life of the project, the setting of limits and trigger levels for effluent concentrations, and response strategies should triggers and maximum limits be reached.
- (3) No.
- (4) Any action not covered by the original approval would need separate EPBC Act approval if it will have, or is likely to have, a significant impact on a matter of national environmental significance.

Carbon Emissions
(Question No. 571)

Senator Milne asked the Minister for Climate Change and Water, upon notice, on 8 August 2008:

- (1) With reference to the answer to question on notice no. 439, which stated that 'the quantities of biomass fuel sources are reportable under NGERs [National Greenhouse and Energy Reporting System] when combusted for energy production', is the carbon content of the biomass fuel required to be reported; if not, where are the carbon emissions from combusted biomass reported under NGERs.
- (2) Under NGERs, is the carbon content of biomass feedstocks required to be reported when processed; if not, where are the carbon emissions from processed biomass feedstocks reported under NGERs.

Senator Wong—The answer to the honourable senator's question is as follows:

- (1) Companies that meet the NGERs reporting thresholds will be required to submit data on the quantities of biomass fuels consumed for energy and on the quantities of the estimated emissions of non-carbon dioxide gases from that combustion. The approach in NGERs to the estimation of emissions is consistent with the approach of international reporting guidelines (that is, those of the UN Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC)).

Once collected, the data may be used for a range of products prepared by Government agencies. For the National Greenhouse Accounts, for example, the data collected from NGERs participants on biomass combusted for energy will be used as an input into the estimation of carbon dioxide emissions from biomass sources at the national and State levels. The national data on carbon dioxide emissions from biomass fuel combustion will be reported to the UNFCCC and all national estimates will be published on the Department's website (the Australian Greenhouse Emissions Information System). In accordance with UNFCCC and IPCC guidelines, these national data are published as an information item in addition to the aggregate data in the national inventory itself.

- (2) Quantities of biomass consumed as feedstocks - for example pulp - fall outside the scope of the system and therefore will not be reported under NGERs. Methods for estimating emission sources and sinks that fall under the UNFCCC categories 'Agriculture' and 'Land Use, Land Use Change and Forestry' that are appropriate for facility-level reporting are currently under investigation.