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Mr SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

CONDOLENCES

Tonkin, Hon. David Oliver, AO

Mr SPEAKER—I inform the House of the death on Sunday, 1 October 2000 of the honourable David Oliver Tonkin, AO, a former Premier of South Australia.

Mr HOWARD (Bennelong—Prime Minister) (2.02 p.m.)—Mr Speaker, with indulgence, I would like on behalf of the government to express to Prue Tonkin and to her six children and their families our sadness at the death on Sunday of their husband and father, David, who, as members will know, was Premier of South Australia between 1979 and 1982. I formed a close friendship with David in the years that he was Premier and subsequently. He was a person who did a great deal to rebuild the Liberal Party after the difficulties of the divisions in the party through the emergence of the Liberal movement in the 1970s. His contribution to the state of South Australia was significant.

David Tonkin was a person who had a deep interest in the arts, particularly music, and it was perhaps appropriate that only a few hours before his death he had attended in the Barossa Valley a Bach concert, indulging to the end one of his great tastes. I had the opportunity also, for which I am very grateful, on behalf of the members of the Liberal Party of Australia of conferring on David a meritorious service award at the time of the annual meeting of the State Council of the Liberal Party in South Australia only a few months ago.

David Tonkin entered parliament in 1970 as the member for Bragg. He was elected leader of the state parliamentary party in 1975 and was Premier when it won government in 1979. After his defeat and subsequent retirement from parliament he served as Chairman of the State Opera Company of South Australia, Secretary-General of the Commonwealth Parliamentary Association between 1986 and 1992 and Chairman of the South Australian Film Corporation from 1994 to 1996.

The Prime Minister has made reference to Dr Tonkin’s love of the arts and his substan-
tial contribution to the arts in South Australia as a result of his appointments. I suspect that the not non-partisan but partisan tolerance level that he exhibited meant that he was adequately based as Secretary-General of the Commonwealth Parliamentary Association in London. The opposition joins the Prime Minister and the rest of the parliament in extending our condolences to Dr Tonkin’s widow, Prudence, and to their six children and five grandchildren. Our thoughts at this time are with that family.

Mr SPEAKER—As a mark of respect to the memory of the deceased I invite honourable members to rise in their places.

Honourable members having stood in their places—

Mr SPEAKER—I thank the House.

Trudeau, Rt Hon. Pierre Elliott

Mr SPEAKER—I inform the House of the death on Thursday, 28 September 2000 of the Rt Hon. Pierre Elliott Trudeau, a former Prime Minister of Canada.

Mr HOWARD (Bennelong—Prime Minister) (2.08 p.m.)—On indulgence, Mr Speaker, I think it is appropriate for the parliament to spend a brief moment to record its remarks regarding the death of Pierre Trudeau, Prime Minister of Canada for a period of 16 years. It is probably fair to say that Pierre Trudeau was the most significant political figure to be produced by Canadian politics in the post-World War II period. He remained in office for two periods totalling 16 years, interrupted by a brief interregnum of six months of government by the then opposition Progressive Conservative Party. Trudeau was a man of very great flair and style who gave a particular brand to Canadian politics.

The advent of what became known as ‘Trudeau mania’ defined much of Canadian politics during the 1970s and the early 1980s. Trudeau was a unique blend of both the French and English Canadian traditions of his country and that gave his occupancy of the office of Prime Minister a special potency. Throughout his political career he was an ardent supporter of fair treatment of both the French Canadian minority and the non-French Canadian majority of the Canadian population. He was responsible for the patriation of the Canadian constitution and he gave official equal treatment to the French language. But I think the most conspicuous of all his achievements were his efforts, as a French Canadian, to hold together the Canadian confederation in the face of the separatist tendencies that came from his home province of Quebec and the particular leadership he displayed after the appalling act of terrorism perpetrated against a minister in one of the provincial governments in the early 1970s, when that minister was kidnapped and later murdered by terrorists. I think that represented the high point of the leadership he gave to the Canadian nation. Canada of course is a significant Commonwealth partner and friend of Australia, and the progress of Canadian politics is always of interest to Australians.

Pierre Trudeau lost a fight with prostate cancer and Parkinson’s disease at the age of 80. He had a long and distinguished academic career before entering Canadian politics. On behalf of the government and the people of Australia I convey to his family and to the people of Canada our condolences. We record with respect and appreciation the immense contribution he made to Canadian political life.

Mr BEAZLEY (Brand—Leader of the Opposition) (2.11 p.m.)—On indulgence, Mr Speaker, I endorse the remarks made by the Prime Minister. Pierre Trudeau dominated Canadian political life for the best part of 16 years. He was sometimes seen in those days as the Canadian version of President John F. Kennedy. He brought glamour and sophistication to Canadian political life and thereby made himself a household name in many parts of the world for the style as well as the substance of his political contribution. But I do not think there would be too many Canadians who would deny that probably the most substantial contribution he made to their national political life was the current character of the Canadian constitution. If it had not been for his role and the point at which he arrived in Canada’s history, the story of relationships between the two communities, English and French, might have been very difficult, or rather very different—
it has always been very difficult—in terms of the outcome.

To the point of time at which Pierre Trudeau arrived on the scene, the basic thrust of Canadian political thinking on how you actually dealt with the problems that emerged from the bilingual and biethnic character of Canada’s community was to deal with it by the suppression of one at the hands of the other—at least in terms of the language and official recognition—and to maintain that the unitary state was best maintained by imposing unity. Trudeau operated on a different theory—that separatism would be best contained by acknowledgment of difference and by ensuring that there was some equality of the two major communities in Canada and dealing with that both constitutionally and in terms of recognition of the two languages. This was resisted quite strongly in some areas of Canada, but resistance was by no means as predominant in terms of its impact as was the countervailing effect of that resistance. That was the nipping in the bud or at least the effective containment of what was becoming a very strong instinct on the part of French Canada to leave the federation. That is an issue which is of course ongoing. There are often referenda and certainly provincial elections fought around those particular issues but, despite their saliency, they have been contained, and that is in no small measure due to Pierre Trudeau.

Trudeau presented a style of modern leadership that was emulated elsewhere. He also dramatically advanced Canada’s overseas role, particularly the path it chose in aid provision in Africa and the determination that Canada had values that were worth while sharing with the rest of the international community. He was a very substantial man indeed, and there will be a deal of mourning in Canada at his passing. I join the Prime Minister in the condolences extended to the people of Canada, the government of Canada and the family of Pierre Trudeau.

Mr Speaker—I thank the House.

Browne, Mr Peter Grahame

Mr Speaker—I inform the House of the death on Monday, 11 September 2000 of Peter Grahame Browne, a member of this House for the division of Kalgoorlie from 1958 to 1961. As a mark of respect to the memory of the deceased, I invite honourable members to rise in their places.

Honourable members having stood in their places—

Mr Speaker—I thank the House.

Mr Speaker—As a mark of respect to the memory of the deceased, I invite honourable members to rise in their places.

Mr Speaker—As a mark of respect to the memory of the deceased, I invite honourable members to rise in their places.

Mr Speaker—I thank the House.

Mr Speaker—I indicate to the member for Kingsford-Smith that I recognise the gravity of the issue he is raising. I think it would be appropriate, and I believe he would concur, that we should consider this matter at the conclusion of question time. I will allow him on that occasion to raise it once again, and I indicate to the House that it is my intent to hear the further information he has at the conclusion of question time.

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fence and Trade in its inquiry into the United Nations, particularly in relation to the evidence he gave concerning UNAMET in East Timor.

Mr SPEAKER—As I indicated to the member for Kingsford-Smith, I think it would be appropriate if we dealt with both these matters and that further information be placed on the record at the conclusion of question time. But I acknowledge that both members have exercised the obligation they have to bring this information to the attention of the House at the earliest available opportunity.

OLYMPIC GAMES

Mr HOWARD (Bennelong—Prime Minister) (2.18 p.m.)—by leave—I move:

That this House:

(1) recognises the huge success of the Sydney 2000 Olympic Games, and that the games demonstrated the great capacity and sophistication of the Australian people;
(2) conveys on behalf of all Australians the nation’s pride and congratulations for the performances of all the athletes who represented Australia at these games;
(3) congratulates the Sydney Organising Committee for the Olympic Games and others responsible for staging such a successful games;
(4) expresses our thanks and gratitude to the more than 46,000 volunteers whose cheerful enthusiasm and commitment ensured that the Olympics were an enjoyable and friendly experience for everyone who attended;
(5) expresses our thanks to all officials from Commonwealth departments and agencies who worked to prepare and support the running of the games, in particular the men and women of the Australian Defence Force; and
(6) wishes those organising the Paralympics and our Paralympic athletes well for their final preparations, and for the games which commence on 18 October.

Opposition members interjecting—

Mr SPEAKER—The Prime Minister has the call and, in the spirit of the motion, should be heard in silence.

Mr HOWARD—I do not think there is any doubt that the entire nation feels a great sense of pride with what has occurred over the past 2½ weeks. I think we can best sum up the national mood by saying that these games have brought enormous credit to the entire nation. The people who, above all, have made the games a great success are the people who have been mentioned in this motion. But, above and beyond that, I think we should acknowledge, as the elected representatives of the Australian people, the enormous contribution made to the success of the games by the attitude and the spirit of the entire Australian nation during the currency of the games, because on display throughout the entirety of the Olympic Games was the sportsmanlike spirit of all Australians. Australians cheered endlessly for competitors from all Australian teams and, when Australians were competing in individual sports, on no occasion were there any displays of bad sportsmanship in relation to victories by athletes from other countries or teams representing other nations. I think it reflects very great credit on the people of Australia—no one section but on all the people of Australia—that there should have been such a sportsmanlike approach. I would especially like to record the respect and admiration I have, and I know that all Australians have, for the members of the Australian Olympic team. It was without doubt the most successful team across a range of sports of all the teams that Australia has sent to the Olympic Games. Australia is one of only three countries since 1896 to be a consistent participant in the games. Across a whole range of sports, Australia had very strong representation in these games and a very wide range of success.

I would like to congratulate, as the motion does, all of those associated with the organisation of the games and particularly the members of the Sydney Organising Committee for the Olympic Games. I record in that context my congratulations to the chairman of that committee, Mr Knight. I also record my congratulations to the Minister for Finance and Administration and to the member for Cook for the role they played in winning the Olympic bid back in 1993. I also record my congratulations to the member for Lindsay, the Minister for Sport and Tourism and the minister who so ably assisted me in the build-up to the Olympic Games. Most importantly of all, I congratulate the people who were involved in the games: the ath-
letes, the organisers, the volunteers and those responsible for the design and the construction of the facilities; all of them deserve the respect and the thanks of the Australian people and of this parliament.

It was a great event. It showcased everything that was good about Australia: our openness, our friendliness, our sense of fun in sport and relaxation, and our capacity to compete very strongly and very effectively on the sporting field and in other sporting arenas. No person who visited Australia during the games went away with other than a very positive and powerful impression of the modernity, the sophistication, the capability, the friendship, the good humour and the hospitable disposition of the Australian people.

All of us, whatever our politics are, whatever our sporting tastes may be and even those of us who have no disposition towards following sport, no matter who you are, have every right as Australians to feel very proud of what has been done and of what has been achieved. I think we should in a very unconditional, open-hearted, bipartisan fashion convey through this motion our immense respect for those who made this possible, our gratitude to the athletes, our thanks to the volunteers and a sense of well-deserved pride and satisfaction at what our nation has done and the credit it has won in the eyes of the world.

Mr BEAZLEY (Brand—Leader of the Opposition) (2.24 p.m.)—I support the Prime Minister’s remarks and the motion that he has moved. I think those of us who have spent the last few weeks in this country would have to acknowledge that this generation of Australians has had a once in a lifetime experience. It is difficult to imagine: certainly nothing in my experience has so brought together the Australian people—unity without rancour and with a sheer sense of exuberance and enjoyment in which we have put on display everything that we regard as good in the Australian character and have then exemplified it, activated it and extended it in the way in which we have related to people who have come to this country and, just as importantly, in the way in which we have related to each other during the games.

A generosity of spirit was displayed by those associated with the volunteers, those associated with government, and our athletes with their sportsmanship when competing as well as with the actions that were demonstrated, which the Prime Minister referred to, to the position of athletes from other countries. Our tolerance was on display with the fact that all Australians really do aspire to be a good-hearted nation with good-hearted relationships between us and with good-hearted relationships with our neighbours and with those further afield. Our egalitarianism was on display through the way in which ordinary Australians had an opportunity to participate in following the events, whatever the ticket prices might have been at the particular venues, and those volunteers out there at the live sites making absolutely certain that enjoyment was had by all. We also displayed our good humour, our capacity for self-deprecation and the best mascot we have ever developed in Fatso. The attitude displayed in the nightly program *The Dream* showed the off-the-wall sense of self-deprecation that we have. Roy and H.G.’s program kept everybody exhausted and in fact was our secret weapon against the performances of other athletes who had events scheduled the next day.

Our athleticism was on display. We said we would make these Olympics a great Olympics for athletes. Why could we say that with confidence? One of the reasons we could say that with confidence is the good regard in which athletic pursuits and athletes are held in this country, and have been for a very long time, with the Australian love of sport. Because we have treated our own athletes well with bodies such as our institutes of sport—the Australian Institute of Sport at the Commonwealth level and the state institutes elsewhere—we knew how to treat others. On the occasion when I had an opportunity to wander through the village, apart from the fact that Australian athletes were clearly enjoying it there you could see the other athletes were as well.

I would very quickly like to congratulate all the Australian athletes who participated.
There were an enormous number of personal bests. There were great displays of the Australian character by our successful athletes and by our unsuccessful ones. I think of the grace under pressure from Cathy Freeman, the quiet dignity of Susie O’Neill, the youthful exuberance of our swimmers such as Ian Thorpe, Michael Klim and Grant Hackett, and the zen-like focus of our archers and shooters—that sense of control they had in sports with which I am not terribly familiar but nevertheless were a revelation when you saw them portrayed—the elegance of the equestrians, and the strength of character and physical fortitude of our many teams who were successful, some in new sports and some in others.

I saw a comment from the Prime Minister that I wholeheartedly agreed with about the Hockeyroos, the women’s hockey team, with their third gold medal in a row—probably the best performance by any Australian team since the war. That was there for particular praise. I could not let that pass without mentioning their coach, Ric Charlesworth, who was one of our number at one point of time.

Mr Howard—I was there to congratulate him.

Mr BEAZLEY—that is very good. I thank the Prime Minister for being there to congratulate him. I enjoyed the anticipation of that event when Ric invited me to meet the team before they went out for the contest. Talk about focused—he and his coaching staff certainly had that well and truly in hand.

Congratulations must go to those who organised the bulk of this. Enormous physical resources have been deployed—those who have been involved in construction, those who have been involved in transport, those who have been involved in the catering, those who have been involved in the work that has gone into ensuring that this enormous enterprise was successful. I do want to extend some credit here to the New South Wales state government for bearing, massively, disproportionately, the burden of these Olympics. It is something they took on of course by having the campaign launched from Sydney and having the Olympics in Sydney, but they have performed extremely well under a deal of pressure over time. I particularly extend congratulations to Michael Knight in that regard, who has taken more flak on this than just about anyone else. I think we would all wish to see—and I was very glad the Prime Minister mentioned it—those congratulations extended to the folk who had the primary organisation of it. I would particularly like to thank and congratulate John Coates of the Australian Olympic Committee, who from the athletic and the sporting side of it was so deeply plugged into those SOCOG and planning proceedings.

We said that we could do these Olympics because of these attributes of ours: firstly, our athleticism and commitment to athletes; secondly, our logistics and technological competence—and we had that well and truly on display—and, thirdly, we as a nation exhibited the attitudes of the human spirit that the Olympic movement was believed to entail. We exhibited that in our egalitarian attitudes internationally with the stands that we took on human rights and apartheid. We demonstrated that domestically in our multicultural character and the fact that we glowed in it and the fact that we were prepared to deal openly and vigorously with anything we might have on our own plate that dealt with division in our society, in particular the issue of reconciliation with the Aboriginal people. I believe that these Olympic Games have moved us on as a people. I think we have surprised ourselves. We have surprised ourselves technologically and we have surprised ourselves in what we are actually capable of doing together—exhibiting a common national spirit and humanity in our outpouring of joy in the successes of our athletes; and the symbolism of a victory like that of Cathy Freeman has been a mark of a maturing of and a substance to the Australian personality, which I can only hope to see continue.

The Paralympics of course occur in a couple of weeks time and we wish all those athletes well. They come to magnificent facilities and to a city that I do not think has completely exhausted its capacity to celebrate, although it has given it a pretty good run over the course of the last couple of weeks. I still think there is something residual there...
which will see them pumped up again to receive another group of deserving athletes who have overcome great difficulties to become the people they are and we do wish them well, as this motion indicates.

Mr Emerson—Aussie, Aussie, Aussie!
Honourable members—Oi, oi, oi!

Mr Speaker—The member for Rankin!

Question resolved in the affirmative.

MINISTERIAL ARRANGEMENTS

Mr Howard (Bennelong—Prime Minister) (2.33 p.m.)—I inform the House that the Minister for Immigration and Multicultural Affairs, Mr Ruddock, will be absent from question time this week. He is addressing the 51st meeting of the United Nations High Commissioner for Refugees Executive Committee in Geneva. On his return to Australia he will visit Papua New Guinea for discussions with PNG ministers on combating illegal immigration. The Attorney-General, Mr Williams, will act as Minister for Immigration and Multicultural Affairs during his absence and will answer relevant questions on his behalf.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Petrol Prices

Mr Beazley (2.34 p.m.)—My question is to the Prime Minister. I refer to his claim that he cannot keep his GST petrol promise because the budget cannot afford it. Isn’t it true that your broken GST petrol promise and higher world oil prices have resulted in a fuel tax windfall to the government, a windfall you did not budget for? Why won’t you recognise the pain of Australian motorists, truckers and farmers and give them some immediate relief?

Mr Howard—That was an entirely predictable and completely opportunistic question. It also entirely distorts both what I have said and what the government has done. What I have pointed out and what is unarguably the case is that the principal driver of high petrol prices is the world price of crude oil, and none other than the Victorian Premier acknowledged that on Melbourne radio as recently as this morning when he said, ‘The price of oil around the world has gone to over $US30 a barrel and there’s really nothing much Australia can do about that.’

Of course it would be possible for the government to embrace a discretionary reduction in the level of fuel excise. To make any sizeable impact on the price of petrol I imagine the average Australian consumer would want to see the price come down by at least 5c a litre. That would cost $1.7 billion a year. I notice that the Leader of the Opposition has committed the opposition party to a freezing of future indexation increases.

Mr Crut—That’s not right.

Mr Beazley—That’s not true.

Mr Howard—Oh, that is not right? Oh, that is not true. Well, I will be very pleased to hear from the Leader of the Opposition. So you are saying that that is not true.

Mr Speaker—The Prime Minister will respond to the question.

Mr Howard—So, in other words, you do not have an alternative policy.

Mr Speaker—The Prime Minister will address his remarks through the chair.

Mr Beazley—On indulgence, Mr Speaker: the Prime Minister is completely incorrect. We said you take the GST price spike out. That is what we said.

Mr Speaker—No. The Leader of the Opposition will resume his seat.

Mr Howard—I will be very interested to hear what the alternative policy of the Australian Labor Party is. The reality is that the world price of oil has trebled over the last 18 months and, as a result, the price of petrol in Australia has risen. That is not the result of the GST; it is the result of a rise in the world price of oil. If you go around the world, you will find the prices paid for petrol in other parts of the world are also high. For example, in the United Kingdom, which is often a role model for the present Labor opposition, because it is led by the soul mate of the Leader of the Opposition, the price of petrol is approximating $2.30 a litre. The taxation take in the United Kingdom approximates 75 per cent of the price of a litre of petrol at the bowser.
I want to make it clear to the consumers of Australia that we understand their unhappiness at the high price of petrol. To reduce the price of petrol by a discretionary cut in excise to have any impact at all would take about $1.5 billion to $2 billion out of the budget deficit. In the present climate of international levels of interest rates and our concern about domestic interest rates, we see no merit at all in running the budget surplus down by the order of $1.5 billion to $2 billion. It is incumbent on both sides of politics in Australia, if they argue for measures which are going to involve a cost to the budget, to detail the cost of those measures and to justify a running down of the surplus in current circumstances.

There has been an improved budget outcome in relation to the just completed financial year, but it is altogether too early to responsibly make judgments about what the budget outcome will be this year. It is the height of economic irresponsibility to make judgments on the basis of only three months of a 12-month financial year period yet commit yourself to additional expenditure or to forgone revenue that covers not only the whole of the financial year but years into the future. It is easy to embrace opportunistic calls for reductions in the budget surplus and reductions in budget revenue. In the long run, the best thing that the government can do for the people of Australia is to continue to manage the Australian economy with care, skill and the accomplishment and levels of success that have been apparent over the last 4½ years. It remains a source of very great pride to this government, to me as Prime Minister and to the Treasurer that over the last 4½ years we have reduced the government debt to GDP ratio of this country to probably the lowest level of any industrialised country in the world. In other words, we have used any windfall that may have come in in the last financial year to reduce the debt that you ran up when you were in government. Indeed, if you had not left us with $96 billion of debt, we may have been able to do a lot more with the revenue that we now have.

**Budget 1999-2000: Final Outcomes**

Mr ANDREWS (2.41 p.m.)—My question is addressed to the Treasurer. Would the Treasurer detail for the House the final budget outcome for 1999-2000?

Mr COSTELLO—I thank the honourable member for Menzies for his question and acknowledge the great contribution that he makes to this House. I indicate in answer to his question that the final budget outcome for 1999-2000 was released—

Mr Tanner interjecting—

Mr SPEAKER—If the member for Melbourne continues to interject, I will deal very rapidly with him.

Mr COSTELLO—by the finance minister and me on Friday. It showed that, depending on whether you take the cash measure or the fiscal measure, the budget outcome for 1999-2000 was a surplus of around $13 billion. It was the largest budget surplus in dollar terms recorded in Australia and, as a proportion of GDP, the largest surplus since 1971 and 1972. As the Prime Minister said, by putting the budget into surplus, this government has now been able to repay $43 billion of the $80 billion of Labor debt that was run up in five years.

Mr Crean—You said $96 billion.

Mr COSTELLO—$80 billion was run up in five years to a cumulative total of $96 billion. If I can explain it to the member for Hotham, before the last five budgets of the Labor Party the net Commonwealth debt stood at $16 billion and in five budgets they took it from $16 billion to $96 billion, with all-time records produced by the then minister for finance, the now Leader of the Opposition. The good news is that no longer do we run up Commonwealth debt and, of that $80 billion run up in Labor’s last five budgets, the coalition has now managed to pay back $43 billion. We are now halfway to undoing the damage of Labor in those last five years of government, and that is a great achievement.

When this government came to office, we spent the same amount on servicing Labor debt as we spent on schools and education and hospitals. Now the amount that we spend on schools and hospitals is double the
amount we spend on servicing Labor’s debt, and that is an investment in the future now that we have broken the back of the wanton profligacy of the Labor Party. The second thing that putting the budget back into surplus by $13 billion as at 30 June 2000 enabled this government to do was to introduce on 1 July this year the largest income tax cuts in Australian history. That was the dividend of putting the budget back into surplus, and we have been able to pass on a $12 billion income tax cut as a consequence.

Good economic management consisted of putting the budget into surplus; Labor fought us all the way. Good economic management consisted of paying back Labor’s debt; Labor fought us all the way. Good economic management consisted of increasing spending on health and education when we cut the interest bill of Labor; Labor fought us all the way. Good economic management consisted of introducing from 1 July this year the largest income tax cuts in Australian history. Many people ask, ‘If the budget was in surplus at 30 June by $13 billion, shouldn’t taxes be cut?’ The answer is: they have been; they were cut. They were cut on 1 July—the largest income tax cuts in Australian history. They were cut in relation to diesel for truck drivers. They will be cut further in relation to financial institutions duty, bank accounts debit tax and stamp duties on shares. These are some of the benefits of good economic management. The good thing was that, notwithstanding their attempts to frustrate it, the Labor Party failed. The coalition were able to deliver good economic management.

**Goods and Services Tax: Petrol Prices**

Mr CREAN (2.46 p.m.)—My question is to the Treasurer. Given that you will reap a petrol tax windfall due to your GST broken promise, will you now promise to give Australian motorists, truckers and farmers relief by removing the double dip—the GST inflation spike—from the next indexation increase?

Mr COSTELLO—As I have observed many times in this House, the member for Hotham began by making a false statement in his question, on the old ACTU principle that, if you repeat the falsehood enough times, somebody will start to believe it. The second point I would like to make is the following: I welcome the Labor Party’s interest in the indexation of excise on fuel because, after all, it was the Labor Party that introduced it in 1983.

Mr Crean—But not the GST; but not the broken promise.

Mr COSTELLO—That is right—you are going to roll back the GST. I had forgotten that.

Mr SPEAKER—The Treasurer will come to the question.

Mr COSTELLO—He did not introduce the GST; he is going to roll it back—a word which has not passed the Leader of the Opposition’s lips since 21 July. We all wait for roll-back. When the Labor Party introduced the indexation of fuel—a policy which it steadfastly maintained from 1983 until it was voted out of office in 1996—the petrol excise was 6.155c a litre. When it left office in 1996, the petrol excise was 34c a litre; that is, it rose from 6c a litre to 34c a litre. After absorbing the 8c a litre state excise, which the Commonwealth has absorbed because of the High Court case Haha and Lim, the excise is now at 38c a litre. So talk about the world experts on indexing petrol excise—it is the Australian Labor Party.

I am then asked: what are you going to do for farmers? Let me make this point in relation to farmers: farmers who use diesel off-road in their tractors or harvesters do not pay excise on their diesel. You cannot cut it any further, because farmers do not pay excise on their diesel. Whenever they are off-road in relation to their tractors or farm machinery, there is no excise. On their diesel, there is a full diesel fuel rebate. The next question we are asked is: what would you do in relation to transport? In relation to transport—that is, vehicles outside metropolitan areas or over 20 tonnes—the excise on diesel today is 24c less than it was on 30 June; that is, we cut the tax on diesel for transport by 24c a litre on 1 July. We were opposed in doing that by the Australian Labor Party. If the Australian Labor Party had had its way, today farmers would be paying 24c a litre more tax on their diesel.
There were some recent blockades in both Melbourne and Queensland by truck drivers. The press consistently reported that they were over petrol. Major tankers use diesel. The tax on diesel for heavy transport and transport outside capital cities was reduced on 1 July by 24c a litre. Some elements of the press tried to run this together as if this were like the European blockade. Can I observe that there had been no cut in excise in Europe. If the European drivers had been given a cut of 24c a litre, as applied in this country from 1 July, I am sure that they would not have been engaging in what they were. They were looking for the kind of treatment that Australian truck drivers got.

Mr Crean interjecting—

Mr COSTELLO—The member for Hotham, the old ACTU president, interjects. His policy was nothing; no cut.

Mr Crean—No GST.

Mr COSTELLO—No GST, he says. A truck driver gets a full input tax credit for all of his GST and got a 24c a litre cut in his tax from 1 July. If the Australian Labor Party had had its way, today farmers would be paying 24c a litre extra tax on all of their transport. Let us go through our policy. The policy is a full rebate for all diesel off-farm, a cut in tax of 24c a litre in relation to their transport, and where they use petrol in their business an input tax credit one-eleventh less. You put that together with the income tax cuts, the cuts in capital gains tax and the cuts in company tax, and you have a government which has delivered on tax. The one thing that you can say to the truck drivers of Australia is this: aren’t they lucky the old ACTU president did not have his way because, whatever the price of diesel is today, truck drivers would be paying an extra 24c a litre if the Australian Labor Party were in office?

Health: MRI Scans

Mrs ELSON (2.52 p.m.)—My question is addressed to the Minister for Health and Aged Care. Is the minister aware of recent comments about access by Australians to magnetic resonance imaging and other issues surrounding MRI? Also, would the minister advise the House of the future application of MRI technology in rural Australia?

Dr WOOLDRIDGE—I thank the honourable member for her question. I am aware of a number of comments over recent days, particularly one article in the Sydney Morning Herald by the member for Jagajaga which, I have to say, is wrong in quite a number of areas. As we know, the honourable member never lets the facts get in the way of a good story. I do not intend to weary the House with a detailed response to this—it would take too long—but there are two things that have happened in the last few weeks since the House sat that I think it is worth informing the House of.

The first is that the Director of Public Prosecutions has decided not to proceed with individual criminal prosecutions against radiologists. I am advised that the Director of Public Prosecutions made his decision primarily on the basis of advice that cases could not prove criminal intent beyond reasonable doubt as required by the standards of criminal law. This is in spite of the fact that there was evidence that some of the contracts sent to the Health Insurance Commission bore a date earlier than the date that the signatures were attached to those documents.

The second thing that has happened in recent weeks is that the government has finalised its position on Professor Blandford’s report on the way ahead on this technology. Professor Blandford is from Flinders University. He has done a thorough and exemplary job on this technology and he has made 10 recommendations to the government. The government intends to accept them all. Seven of the recommendations can be implemented straightaway. Three of them we are putting back to him for some further detailed work. Two of the recommendations include the setting up of an independent committee to look at the way we expand this technology, particularly on the basis of new scientific evidence coming to us and new clinical evidence as to the way this technology works. We think this is good and we are happy to take it.

Professor Blandford says there are some areas that are seriously undersupplied with MRI. He notes south-west Western Australia,
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Rural Queensland, rural New South Wales and outer metropolitan New South Wales. So the government is prepared to fund up to another seven machines, particularly in those areas that he identifies. When we look at where we were four years ago with this technology that is used particularly for brain and spinal cord disease, we find that people had to pay $600 to $800 for a scan. Today they pay between nothing and $50. Four years ago people had to wait four months for a scan. Today they wait one to two weeks. Four years ago we had 18 machines available to the public in Australia. Today we have 66. We intend to expand this technology to rural Australia. Rural Australia should have the right to expect similar standards. Professor Blandford gives us the way ahead.

Goods and Services Tax: Petrol Prices

Mr O’CONNOR (2.55 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall telling the people of Hamilton in Victoria’s Western District on 2 August last year, and I quote:

... there are a lot of benefits in that tax reform for people in rural Australia. To start with fuel is going to be dramatically cheaper. Prime Minister, aren’t motorists in Hamilton paying 4c more in tax on every litre of petrol now than they were then? When do you intend honouring the promise you made to rural Australians in Hamilton on fuel?

Mr HOWARD—I do remember visiting Hamilton and I remember saying a number of things to the people of Hamilton, including how well represented they are in the parliament by the member for Wannon. I remember that very vividly. As always when you are asked questions like this, if you are prudent, you check the exact transcript because occasionally they leave a word or a comma out, don’t they? Occasionally they misrepresent what you said. I would have said that there were a lot of benefits for country people. There have been, and there remain, immense benefits. I am surprised, after what the Treasurer said, that any Labor Party frontbencher would have the gall to ask a question about cheaper fuel. You lot wanted to make it 24c a litre dearer.

Mr Beazley—Mr Speaker, I rise on a point of order and it relates to relevance. The Prime Minister was asked a question as to why motorists—

Mr SPEAKER—The Leader of the Opposition will resume his seat.

Mr HOWARD—The reality is that the increase in the price of fuel around Australia, and indeed around the world, over recent months has been caused by a sharp increase in the world price of crude oil. The other reality is that, if the Labor Party had had its way, every farmer in Australia and every truck driver would have been paying more for their fuel than they are now paying. The real comparison is between a group of men and women on this side of the parliament who voted in favour of a 24c a litre reduction in diesel and those on the other side who opposed it.

Mr O’Connor—Mr Speaker, I raise a point of order and it goes to relevance. The Prime Minister is talking about diesel. I asked—

Mr SPEAKER—The member for Corio will resume his seat. By any measure, the Prime Minister is being relevant to the question asked.

Mr O’Connor—There is a bit of a difference between petrol and diesel.

Mr SPEAKER—The member for Corio!

Mr HOWARD—I would further reinforce the point that I have made and that the Treasurer has made by referring the member for Corio, and others opposite who are interested, to the Shell web site, for example, which shows that the refinery price of petrol has risen by 5.4c a litre between 30 June and 2 October. That data also shows that the average retail price over the same period has increased by 5.6c a litre. For anybody to argue, in the face of that, that the driver of petrol price increases over the past few months has been other than the increase in the world price of crude oil is to defy reason and to defy logic.

The reality, if anybody cares to check, is that in the days immediately after the GST was introduced—and that would be the crucial date in deciding whether the GST had produced an increase in the price of petrol—the price of petrol either remained the same
he price of petrol either remained the same or, in many parts of Australia, actually fell. It was only later on, when increases in the world price of crude oil were resumed, that the price at the bowser began to rise. Those opposite who voted to inflict a 24c a litre higher price of diesel on the users of it around Australia have no credibility in arguing for changes in government policy.

We regret—and we are doing what we can internationally, as are other countries—the increases that have occurred in the world price of crude oil. But we have opportunistic, hypocritical questions and attacks from those who sit opposite, those who introduced petrol excise, those who presided in their 13 years of government. I had some interesting material taken out on the cost of a tank of petrol as a proportion of weekly wages over the last 30 years. It produces some very interesting analysis. It shows that under the coalition the average cost of filling a tank with petrol as a proportion of weekly wages has been about 3.8 per cent. It also shows that under 13 years of Labor the average was 4.5 per cent. Indeed, that 3.8 per cent not only would probably be higher but certainly would get higher in the future if the Labor Party’s attitude towards excise on diesel had prevailed. They voted for a higher excise on diesel. They prevailed over a regime which produced, on average, a higher cost to the motorist over the period that they were in government.

We have kept our commitments in relation to the GST and the price of petrol. The reason why the price of petrol is painfully high throughout Australia is that the OPEC countries have pushed up the world price. The solution lies in a change at that level. It does not lie in the opportunistic sallies of the Leader of the Opposition.

**QUESTIONS WITHOUT NOTICE**

**Education: Funding for Non-government Schools**

**Mrs HULL (3.02 p.m.)**—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister advise the House how changes to non-government school funding will expand choice for low income families in my electorate of Riverina? Could the minister respond, in correcting current claims about school funding?

**Dr KEMP**—I thank the member for Riverina for her question and I know of her strong support for school funding reform. It is indeed, as she says, going to expand opportunities for choice for low income families in her electorate. The government’s funding reforms for non-government schools replaced Labor’s discredited funding system, the ERI system, with fairer, more equitable and transparent funding. Information released to schools last week exposes just how false were the claims by Labor, and the member for Dobell in particular, in this House on 30 August that the government was interested only in giving increased funding to the wealthier schools. The member for Dobell should apologise to the House, because the accurate information is now on the public record. What this shows is that schools serving less well-off communities will receive increased funding—

**Mr Lee**—It was $51 million. You know it.

**Mr SPEAKER**—Order! The member for Dobell.

**Dr KEMP**—of up to 70 per cent of the cost of educating a child at a government school or $5,721 per secondary student by the year 2004.

**Mr Lee**—You know it.

**Mr SPEAKER**—The member for Dobell.

**Dr KEMP**—That is still less than is given to a government school student but a very significant increase in funding for low income parents. By contrast, those schools serving the world’s most well-to-do communities funded by the government’s new

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**Distinguished Visitors**

**Mr SPEAKER**—Before I recognise the member for Riverina, I would like to inform the House that we have present in the gallery this afternoon the South Korean Minister for Trade, the Hon. Dr Han, together with His Excellency the South Korean Ambassador and their party. On behalf of the House, I extend to all of our visitors a very warm welcome.
funding system receive only 13.7 per cent of the cost of educating a child at a government school or $1,120 per student in 2004. Labor claimed that the 62 elite schools—

Mr Lee—How many Catholic ones?

Dr KEMP—would receive an average of $800,000 per school.

Mr Lee—That’s completely wrong.

Mr SPEAKER—Order! The member for Dobell.

Dr KEMP—Labor was wrong. What are the facts? The facts are now on the record and they show that the 67 schools serving the wealthiest communities in Australia will receive an average increase—

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell is simply ignoring the chair’s instructions. The member for Dobell will exercise more restraint.

Dr KEMP—The facts show that the schools serving the 67 wealthiest communities in Australia will receive an increase of $184,791 per school in 2004, less than a quarter of the amount claimed by the member for Dobell. That just shows how far Labor will go to stir up misunderstanding and division in the community. The government have put forward reforms which have strong community support. I draw the House’s attention to the results of a recent Saulwick survey which showed that more than two-thirds of voters support the principle of government assistance to non-government schools and that a very clear majority of these voters support that assistance being based on the needs of parents. The Labor Party now finds itself in a completely untenable position, because it opposes our policy but it does not have a policy of its own, and non-government schools are entitled—

Mr Beazley—That’s rubbish.

Mr SPEAKER—The Leader of the Opposition.

Dr KEMP—The Leader of the Opposition says, ‘It’s rubbish; they do have a policy.’

Mr SPEAKER—The minister will not respond to the Leader of the Opposition, and the Leader of the Opposition will exercise more restraint as well. The minister has the call.

Dr KEMP—Non-government schools are very keen to know what the Labor Party’s policy is. Does it intend to return to the ERI funding system? Does it intend to reduce the grants that schools will receive under our funding system? Do you intend to revive the new schools policy? The fact is that no-one knows.

Mr Howard interjecting—

Dr KEMP—He wants to get rid of the opportunity for low income families to choose the school which suits them. The member for Bendigo should stand up and refute the comments of the member for Dobell. He should stand up for increased funding for Central Goldfields Christian College. The member for Werriwa should stand up for increased funding for the Macquarie Fields Seventh Day Adventist schools. Likewise, where are the members for Bass, for Dickson, for Kingston and for the Northern Territory in defending funding for low income families in their electorates? All the information is now available on the public record and it shows that Labor has no policy and has been trying to mislead the Australian public.

Mr SPEAKER—I call the honourable member for Banks.

Government members interjecting—

Goods and Services Tax: Meals-on-Wheels

Mr MELHAM (3.09 p.m.)—No, my question is not to the Prime Minister to ask him whether he found Lasseter’s Reef in his search for gold but my question is addressed to the Prime Minister. Prime Minister, are you aware of the concerns of many volunteers that rising petrol prices are making it unaffordable for them to help with Meals-on-Wheels? Prime Minister, with the GST contributing towards this price hike, what are you going to do to reduce this penalty on people who deliver food on a daily basis to the frail and the aged?

Mr HOWARD—The interest displayed by the member for Banks in Meals-on-Wheels is commendable and it is a great example of the Australian volunteer spirit. But the claims that underpin his question are du-
bious at best and deliberately mischievous at worst.

**Opposition members interjecting—**

Mr HOWARD—They are. I hate to burst the balloon, but the reality is that this newfound liberation on the back bench does not extend to inserting in your question the causes of increases in the price of fuel. Would you like me to go through it all again? I really do not like to detain the House, Mr Speaker, but they keep asking me. Can I just quietly and patiently explain to the member for Banks that we have a system of world parity pricing in this country whereby the price of petrol is driven by the world price of crude oil. This policy was introduced in 1979 by the Fraser government. It was, I can say, wholeheartedly embraced by the Hawke government, and it was grabbed with both arms in an eager bear hug by the Treasurer in the Hawke government who subsequently became the Prime Minister. Not only did they embrace that but also they embraced a thing called the half-yearly indexation of petrol excise.

Mr Costello—They introduced it.

Mr HOWARD—I guess you embrace something you introduce. But the Treasurer corrects me: they introduced and embraced it, and it has remained a policy. You know, Mr Speaker, and everybody in this parliament knows, and everybody in the press gallery knows—and I am certain that all of those motorist organisations that are lobbying at the present time also know—that if the world price of crude oil had stabilised at or about 1 July or, indeed, had gone down we would not be having any debate about the price of petrol.

The reality behind what has driven the price of petrol up, what has made it a difficult issue—and I acknowledge that it is causing concern in the Australian community and it is a matter that has been raised with me by people in many walks of life, including over the past few weeks—the truth as distinct from fable and opportunism, is that you really have two alternatives: either you see a reduction in the world price of oil or you embrace a discretionary reduction in the level of excise. If you embrace a discretionary reduction in the level of excise, that will run the budget surplus down.

Mr Crean—No, it won’t.

Mr HOWARD—I do not believe it is economically responsible to run the budget surplus down at the present time. And it is too early—

Mr Crean—Oh, too early!

Mr HOWARD—It is far too early to make final judgments—

Mr SPEAKER—The Deputy Leader of the Opposition responding to the Prime Minister is defying the chair.

Mr HOWARD—about what the budget outcomes of the current financial year are going to be. I have no clear view of what the budget outcome for this year is going to be, over and above what was announced by the Treasurer in May of this year. Those who run around saying that you should embrace a discretionary reduction are arguing, on all the information available to the government at the present time, for a lower budget surplus than we now have. That would not be good for interest rates, it would not be good for world perceptions of the exchange rate, it would not be good economic management; and that is why the government is not willing to embrace that policy.

**Job Network: Perth**

Dr WASHER (3.13 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of recent public statements regarding the provision of employment services in the suburbs of Perth? What is the government’s response to these statements, and what is being done to help job seekers of Perth find work?

Mr ABBOTT—I thank the member for Moore for his question, and I note that unemployment in his region has fallen from 9.5 per cent in March 1996 to just 5.5 per cent now, thanks to the splendid policies of the Howard government. I am aware of recent comments by the member for Fremantle reported in the *West Australian* newspaper claiming that southern Perth was being deliberately starved of employment services. I note that unemployment in the statistical region covering southern Perth is 7.6 per cent.
It is far too high of course, but it is much less than 14.3 per cent, which was the peak hit in December 1992, when none other than the Leader of the Opposition was Minister for Employment, Education and Training and when the member for Fremantle herself was Premier of Western Australia.

When it comes to the subject of unemployment, members opposite have absolutely no sense of shame. The member for Fremantle has made the very serious claim that this government is guilty of ‘explicit discrimination’ against people in southern Perth. Let me point out that, when Labor was in government, there were just 14 CES offices in metropolitan Perth. Now there are nearly 70 Job Network sites in metropolitan Perth, half of those south of the Swan River. When Labor was in government, there were just two CES offices in the electorate of Fremantle. There are now 10 Job Network sites serving the people of Fremantle. Of course Australia needs a responsible opposition. Unfortunately, what it has got is an opposition that will say or do absolutely anything in its quest to score a cheap political point, and the Australian people and the people of Perth deserve much better.

Economy: Australian Dollar

Mr Crean (3.16 p.m.)—My question is to the Treasurer. I ask him whether he agrees with the Prime Minister’s claim:

If you look at the value of the Australian dollar against other currencies it is not being marked down.

Treasurer, are you aware that in the past month the Australian dollar has been marked down against almost every other world currency, including the Algerian dinar, the Bulgarian leva, the Bangladeshi taka, the Venezuelan bolivar, the Mongolian tugrik, the Mexican peso, the Vietnamese dong and even the Swaziland lilangeni and the Botswana pula? Treasurer, can you name any currencies that the Australian dollar has not been marked down against in the past month?

Mr Costello—The Deputy Leader of the Opposition should look across the Tasman, I would have thought. That would have provided a very ready answer to his comment.

Mr Crean—New Zealand!

Mr Costello—You asked me a question and I answered it. Mr Speaker, they go into great hilarity. As I have said before, it is psychobabble followed by exaggerated laughter. He yells and then he goes into great laughter, as if this is some kind of joke. I know the admiration you have for Swaziland. It is the Australian Labor Party and the government of Swaziland that remain committed to wholesale sales tax. When I saw those athletes from Botswana come in—and Premier Bracks will be my witness on this because I saw him at the opening ceremony—I cheered loudly and said ‘a progressive force against the Australian Labor Party’. Botswana is embracing tax reform—or did I get it wrong? Maybe the Labor Party really do agree with the goods and services tax. Maybe they really do. It was 21 July that we last heard the word that begins with ‘r’ uttered by the Leader of the Opposition—the ‘r’ word. It is called ‘roll-back’.

Mr Crean—Mr Speaker, my point of order is clearly on relevance. The question was about the level of the dollar and those currencies—

Mr Speaker—The Deputy Leader of the Opposition has raised a matter of relevance. The Treasurer was responding initially to a comment made about Swaziland or Botswana, but the question in fact went to something a little more specific. I invite him to come to the question.

Mr Costello—I do want to make a couple of serious points about the state of the economy. Mr Speaker, as you know, Australia operates a flexible exchange rate—a policy which was introduced by the Labor Party in 1983 and a policy which we adopted and support. As a consequence of that, exchange rates vary according to movements in other currencies. As I have observed on a number of occasions before, what is happening in the world currency markets at the moment is principally the rise of the American dollar and the fall of the euro. The fall of the euro has been so substantial that a week ago there was a central bank intervention, which has
probably never occurred before, coordinated by the European Central Bank, the Federal Reserve and the Bank of Japan in relation to the euro. That had the effect of stabilising the euro at that time, which stabilised world currencies—something that Australia certainly welcomed.

From the government’s point of view, the important thing is to keep a strong, fundamental economy. The fundamentals of the Australian economy are very sound and very strong. Since this House last met, we had the national accounts for the June 2000 quarter, which showed that the Australian economy grew above four per cent continuously for 13 quarters for the first time in Australian history. The fiscal outcome for the year just ended on 30 June 2000 was the largest in Australia’s history. Inflation in Australia is historically low, notwithstanding the one-off effect of tax reform, which we expect to have flowed through in this quarter and which will be reflected when the CPI for this quarter comes out. Inflation by world standards is low.

As the Prime Minister said of Australia’s fiscal position, our central government debt to GDP now stands at eight per cent, compared with those of Europe and America, which are over 40 per cent. We have managed to bring that down from a peak of 20 per cent. If the Senate should pass the government’s legislation, then Australia’s central government debt to GDP ratio could, in the next couple of years, go to zero—that is, we could clear all Commonwealth debt. There is only one thing that stands in the way of that goal for Australia, and in the way of the wonderful opportunities that it would set up, and that is the Australian Labor Party. If the Australian Labor Party had any decent respect for Australia’s economic position, it would certainly deal with that. We continue apace with our reform of the taxation system. We continue apace with our reform of the industrial relations system, which the Labor Party also opposes. People have remarked on the productivity performance of the US economy over the last three or four years. The productivity performance of Australia has outstripped that of the United States over the last three and four years; that is, our performance has become faster growing with higher productivity—in both a labour and a multifactor sense—than that of the United States. It is a credit to structural reform. It is something that should not be stopped. It is something which the government will continue to put in place.

Middle East: Conflict

Mr NUGENT (3.24 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the government’s reaction to the violence that has broken out in Israel and the Palestinian territories in recent days? What implications does this have for the Middle East peace process?

Mr DOWNER—I thank the member for Aston for his question and recognise the continuing interest he shows in foreign affairs issues. The Australian government is deeply concerned at the loss of at least 56 lives and the damage to mutual confidence between Israel and the Palestinians that has occurred as a result of the violent confrontations in the different parts of the West Bank, Gaza and Israel in recent days. Both the provocation which led to the disturbances and the violence that has followed have been widely and justifiably deplored. There has been a period in recent times when a final settlement to the Middle East problems has appeared to be increasingly possible and the latest events have obviously cast a shadow over Israelis and Palestinians alike.

It is the government’s view that it is now essential for both sides to take all measures necessary to end the current violence, both in the Palestinian areas and within Israel, and to redouble their efforts to secure a comprehensive agreement through negotiations. Despite the severe blow which recent events have represented to the peace process, the leaderships of both sides remain committed to the resolution of their dispute, and they do deserve the support of their people for their efforts to build a lasting peace and an opportunity to do so without being undermined by terror or provocation directed against the other party. I very much hope—and I know many in the international community hope—that the recent violence will be turned into a spur to encourage the revitalisation and con-
clusion of the peace process and not accelerate a further descent into increasing violence. In conclusion, Australian travellers are strongly advised to defer travel to those areas affected by the latest violence.

**Research and Development: Funding**

Mr BEAZLEY (3.26 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware of recent ABS figures showing that Australia’s national investment in research and development declined by 10 per cent in the last two years, the worst performance of any of the 17 countries listed? Is he aware of today’s comments by Dr Jim Peacock, the CSIRO scientist receiving the Prime Minister’s science award tonight, in the following: Clearly research funding has slipped back relatively. And if you look round the world it’s being increased dramatically by other countries. This can only mean that it’s going to be harder and harder for Australia to stay in front.

Is the Prime Minister aware of the comments of the Federation of Australian Scientific and Technological Societies that the government’s failure to invest in research and development meant Australia would ‘continue to wear the old economy tag given to it by the international money market’? Prime Minister, isn’t your attack on research and development one of the real reasons the Australian dollar is at an all-time low?

Mr Ross Cameron—Mr Speaker, on a point of order: the question was excessively argumentative and the last statement is completely hypothetical.

Mr SPEAKER—The member for Parramatta makes a point about argument in questions and, of course, a number of questions contain argument. I noted the member for Parramatta was concerned that the Leader of the Opposition had not actually asked a question but, in fact, the Leader of the Opposition prefaced each of the paragraphs that were part of his question with a question, as I noted it.

Mr HOWARD—If I can go to the last part of the Leader of the Opposition’s question, I do not accept that proposition. I think it is a very superficial argument that says that the economic relevance of the use of technology, particularly information technology, is to be found in the investment in the manufacture of it rather than the application of it. There is nothing fonder than the notion that is being fuelled by the Leader of the Opposition and by the Deputy Leader of the Opposition, as they flail around for some kind of political argument, that despite the fact that we are right up there at the very top—second only on most measures to the United States—in the use of information technology and in the use of innovative approaches it is because we are not a manufacturer of it that you can lay all the comments and all the observations about the level of the Australian dollar at that particular door. That is a completely false argument, just as the argument that seeks to create a false divide between a so-called new economy and a so-called old economy is also a completely false argument. If Australia were lagging so badly in technology application, our productivity performance would not have outclassed that of the United States. So that explanation is not to be found in the proposition put by the Leader of the Opposition.

**Private Health Insurance: Rebate**

Mr GEORGIOU (3.30 p.m.)—My question is addressed to the Minister for Health and Aged Care. Is the minister aware of any recent announcements concerning the federal government’s 30 per cent private health insurance rebate? What does this mean for the eight million Australians with private health insurance?

Dr WOOLDRIDGE—I thank the honourable member for his question. There is some good news in this area—or at least some hopeful news. You would think the Labor Party, finally finding a health policy after 4½ years, would decide to put it out and actually give it some publicity. We had the Labor Party on 25 September, Monday, announcing that they had done a complete backflip in relation to private health insurance. The day they chose, 10 months after the legislation came in to the parliament, was the day Cathy Freeman was running in the 400 metres final. Why might the opposition be choosing the highest news day this year to announce good news in private health insurance? There is only one reason, and that is that they are embarrassed by the comments
that they are on the record as making in the last 2½ years on private health insurance.

In February of this year the Leader of the Opposition described the 30 per cent rebate as a dreadful failure—'It is a complete and monumental failure'—so much so that the Labor Party has accepted it in toto, without any change whatsoever. The member for Jagajaga in 1998 in the debate in this parliament on the rebate said, 'What we have got here tonight is the worst example of public policy ever seen in this parliament'—so bad the Labor Party has accepted it lock, stock and barrel.

In fact, the member for Jagajaga has put out 30 press releases on this issue in the last 2½ years. I have looked to see if she put out a press release on 25 September, last Monday, to announce the backflip. It is the first time in history we have not been showered with confetti press releases by the opposition—so ashamed is she that she has been rolled on this issue. It is not only that: if you look at the Labor Party's web site, which usually has the most trivial musings of the Leader of the Opposition, there is not a word on this—no transcript, no idea that they have changed whatsoever on the issue. It was put perfectly in the Australian when they described it as:

... Kim Beazley at his poll driven worst, with a proposition he does not believe in.

The simple fact is the Labor Party did not invent the 30 per cent rebate, they did not want the 30 per cent rebate, they did not support the 30 per cent rebate, and they just cannot be believed on this issue.

**Australian Federal Police: Searches**

Mr BRERETON (3.33 p.m.)—My question is directed to the Prime Minister. It concerns the execution of a search warrant on my adviser's home at dawn on the morning of 16 September. Prime Minister, can you advise the House whether you, your office, the Attorney-General, the Minister for Foreign Affairs, the Minister for Defence, their respective offices, or the head of your own department received any briefings or information concerning this matter prior to the raid on my adviser's home?

Mr HOWARD—I accept the implied compliment in the question—that I am sort of a walking encyclopaedia of what everyone in the government does. I will answer for myself. It is a fair question. Then as well as answering the question I will add another little bit which is relevant to the issue raised by the member for Kingsford-Smith. I was given a general briefing about the investigation. I was not told until after the warrant had been executed that the visit had taken place. That is my position. I was not told. Can I also make the point that the decision to issue and execute the warrant was done quite independently of the government. At no stage was my permission—or to my knowledge the permission of anybody else in the government—sought for the issue or the execution of the warrant.

Protestations of unprecedented outrage have emanated from the lips of the Leader of the Opposition. The Leader of the Opposition was red with rage the morning that this took place, on the basis that this has never happened before. That would be news to the member for Gippsland; it would be news to the Treasurer; it would be news to many other people. I would remind the House, as the member for Kingsford-Smith has raised this matter, that in 1993 in the course of an AFP investigation into a leak to the Age of an Australian Bureau of Criminal Intelligence report on allegations of organised crime in the meat industry search warrants were issued in relation to the federal member for Gippsland, Mr McGauran, and a member of his staff, Mr Peter Richards. Specifically, warrants were issued on 27 January 1993 to search Mr McGauran's private residence and his electorate office. A warrant to search Mr Richards's private residence also was issued on 27 January 1993.

There is a suggestion coming from the Leader of the Opposition and the member for Kingsford-Smith that the action taken by the Federal Police represented some kind of unprecedented infringement of the rights of members of parliament, some never before attempted invasion of human rights by the Australian Federal Police acting under the direction of the government—the executive using the police for political purposes; that
was the tenor of what the Leader of the Opposition said. Both the Leader of the Opposition and the member for Kingsford-Smith were members of the then Labor government when that warrant was issued—against not the staff member alone but the shadow minister himself. That was followed several months later by the issue of yet another warrant involving the member for Gippsland.

The police were asked to conduct an investigation. At all times, as I have been advised, the appropriate separation between the actions of the Federal Police and ministers was obtained. The normal protocols regarding generalised briefing would have been observed. Permission was not sought for the issue of these warrants. The decision to issue and execute was taken by the Federal Police in the exercise of their prerogatives. The nonsense proposition coming from the member for Kingsford-Smith that this is an unprecedented action, an invasion of his rights, is an absolute distortion, a complete untruth and an attempt to mislead this parliament.

Olympic Games: Business Initiatives

Mr ROSS CAMERON (3.38 p.m.)—My question is addressed to the Minister for Trade. Could the minister inform the House of the benefits flowing to Australia from this government’s business initiatives over the course of the Olympic Games?

Mr VAILE—I thank the member for Parramatta for his question. He was very keen to see the government take every advantage of the opportunity, while the focus of the world was on Australia during the Olympics, to showcase what we have in our country in terms of technological development, a strong economy and opportunities for investment. Very early in the piece our government took the decision that we would maximise the business opportunities arising from the Olympics in Australia in the year 2000, and we established a program called ‘Australia Open for Business’. Part of that program was Business Club Australia, which was situated at Darling Harbour. We had over 14,000 visitors to Business Club Australia during the Olympics attending different networking functions and functions promoting Australia as a place for investment, a place to do business and a place to establish headquarters in the region. Of course it has been an outstanding success. Australia’s Olympic team did very well in terms of the medals they won; Australia has done extremely well with its stunning success in the conduct of the Olympic Games and certainly our business promotional program during the Olympics has also been a stunning success.

Over the period in the lead-up to and during the Olympic Games some $400 million in investment and trade has been secured, including new investments in the telecommunications, agriculture, manufacturing and IT sectors. Through the Virtual Club members of the Business Club were able to participate and generate new export opportunities both before and during the Olympic Games, and certainly well and truly after the closing ceremony last Sunday night members of the Business Club will be communicating in the Virtual Club doing business. For members’ information the world’s second biggest distributor of interactive entertainment software, Info Gram Entertainment, announced at Business Club last Wednesday that it is going to establish its Asia-Pacific headquarters in Melbourne, which will create up to 160 new jobs in that facility, an initial great outcome from the government’s activities promoting Australia as a safe place for investment. It is estimated that about $1 billion worth of new trade and investment will be generated through the ‘Australia Open for Business’ initiative. Overall, as a result of the Olympic Games, it is estimated that there will be $6.5 billion worth of benefit to Australia’s GDP between now and 2006.

Of course it does not end there. We have had a great deal of interest shown by the next host city, Athens, in this type of activity in terms of running a business promotion initiative. Certainly we are going to capitalise on the expertise and the skills base that have been built up in Australia over the four to five years leading up to the Olympics in Sydney. Austrade will be establishing an office in Athens to maximise the Australian business opportunities in Greece over the next four years that will present themselves during that time.

It goes without saying that I would like to thank all the people involved in Business
Club Australia and all the people involved from the different departments who have worked tirelessly over the 16 days to ensure that we maximised the business opportunities out of the Olympics. We have done that—it has been proven and recognised by our international visitors. The investment that will flow into Australia and the trade opportunities that will be developed over coming years will go a long way towards securing new jobs and investment in Australia in the future.

**Minister for Immigration and Multicultural Affairs: Le Monde Article**

Mr BEAZLEY (3.42 p.m.)—My question is to Prime Minister. Prime Minister, will you repudiate the untimely and demeaning remarks to the foreign media made by your minister for reconciliation concerning the causes of indigenous disadvantage?

Mr HOWARD—I have read in full the remarks that were recorded in *Le Monde*. I believe that the reaction to those remarks—whilst I can understand why people would react in that way—has been unfair to the minister. I will not therefore reprimand the minister. The minister is known in this parliament for his decency and compassion towards indigenous people. The minister—and I have known this minister for in excess of 30 years—has always displayed a very conscientious interest in the welfare of the less privileged in our society. I do not believe that the reactions by some people—including some spokesmen for the Labor Party—have been fair. It is easy to take one comment without looking at the entire context of what he had to say. I am satisfied from reading the full article and also from comments that the minister has made to others which have been passed on to me—he is currently overseas—that the last thing Philip Ruddock intended was any offence to the indigenous people of this country. I do not believe the comments that have been made about it are reasonable. It is very easy on an issue like this to grab hold of a remark and to build up to a sense of moral indignation about it without giving credit to the context in which the remark was made and without giving any credit at all to the record of this particular minister. I repeat: he is a person of immense decency and compassion, he has a practical concern for the indigenous people of this country and he does not embrace the moral semantics on this issue that many in your party do, and I stand by the minister.

Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

**PRIVILEGE**

Mr BRERETON (Kingsford-Smith) (3.45 p.m.)—I rise to raise a serious breach of my parliamentary privilege, arising from the AFP search warrant executed on the home of my adviser on the morning of 16 September, which saw AFP agents and officers of the Defence Security Branch of the Department of Defence carry out a documentary fishing expedition relating to issues I have pursued in parliamentary debate and, further, obtain unfettered access to confidential records and material relating directly to my parliamentary duties. I consider the search conducted pursuant to the search warrant to be a clear and serious breach of my parliamentary privilege by the executive arm of government and an attempt to interfere with and/or intimidate a member of parliament in the conduct of his or her parliamentary duties. At 7 a.m. on 16 September, the morning after the opening ceremony of the Sydney Olympics, Federal Police agents and other persons arrived at the Canberra home of my adviser, Dr Philip Dorling, to execute a search warrant. Before I discuss the execution of the warrant, I wish to inform the House about some of the background to these events.

Members will recall that in the course of last year a number of Australian media outlets—print and electronic—published leaked government documents relating to events in East Timor. These included a number of Defence Intelligence Organisation assessments concerning pro-integrationist militia activity in East Timor and the links between those militias and the Indonesian military. These documents revealed Australian DIO assessments that a high degree of control was exercised by the Indonesian military over the militias and that the violence in East Timor was not the work of low-level rogue elements but rather the product of a centrally directed strategy directed from the highest levels of the Indonesian military. Other
documents disclosed in the media revealed aspects of government policy concerning the issue of UN peacekeepers in East Timor. These media disclosures caused many people to question the truthfulness of government statements in the lead-up to the 30 August vote for independence. These disclosures caused the government considerable embarrassment. For my part, I referred to these matters, and specifically the issue of the Defence Intelligence Organisation assessments and other leaked material concerning East Timor, in this parliament on a number of occasions last year. These disclosures caused the government considerable embarrassment. For my part, I referred to these matters, and specifically the issue of the Defence Intelligence Organisation assessments and other leaked material concerning East Timor, in this parliament on a number of occasions last year. This included questions to the Minister for Foreign Affairs on 9 August, 10 August, 20 September and 24 November. I also referred to these matters in my speech in the general debate on East Timor on 21 September. The broad issue of Australian government intelligence assessments of developments in East Timor also featured in other questions by me to the Minister for Foreign Affairs and to the Prime Minister.

In late November last year, the media reported that the government had initiated an inquiry into the disclosure of East Timor related information. This was described in the Age newspaper as a ‘no holds barred exercise’ involving the Department of Defence’s Security Branch headed by Mr Jason Brown, the Australian Security Intelligence Organisation and the Australian Federal Police with ‘journalists, politicians and staffers seen absolutely as fair game’. On 1 December, the foreign minister confirmed the investigation at the National Press Club, indicating that he was following the progress of the investigation. He said:

I think we are sort of pretty much tracking down where this material is coming from.

On 18 May this year, AFP Deputy Commissioner Whiddett wrote to me seeking approval for AFP agents to enlist the assistance of Parliamentary Information Systems Office staff for advice on and access to information stored on the parliamentary information systems, specifically the transmission logs and email accounts of any unnamed suspects revealed during investigations of the alleged leaking of classified Defence material to the media. The AFP also approached you, Mr Speaker, and the President of the Senate seeking approval for investigators to attend Parliament House for this purpose. It is a matter of record that the AFP approach was rejected by me and by the Leader of the Opposition. At the time I informed the AFP that I considered their proposal an outrageous and unprecedented trespass on my privileges as a member of parliament. What the AFP proposed was the pursuit of an undefined investigation by way of an electronic fishing expedition into the parliamentary database holding the records and communications of members, senators, political staff and parliamentary officers. The Leader of the Opposition wrote to you, Mr Speaker, expressing the view that it would create an entirely inappropriate precedent were parliament to agree to the AFP approach. The Leader of the Opposition observed:

The Parliamentary Information Systems Office System is operated at a high degree of security to provide confidentiality for the communications amongst Members and between Members and their constituents. Allowing access to the PISO system in the circumstances proposed by the Deputy Commissioner would corrupt the system of trust ... essential for the PISO system to function. There is a substantial public interest in PISO’s confidentiality being strongly safeguarded. ... Whilst it is not without precedent for AFP investigators to be invited into Parliament House to pursue specific inquiries in delineated circumstances (for example, in order to conduct an interview with a Member, a Senator or a staff member), it would be without precedent for the Parliament to agree to a wide-ranging electronic fishing expedition, particularly with the assistance of parliamentary staff under the authority of the Presiding Officers.

It is also a matter of record that you, Mr Speaker, and the President of the Senate formally denied the AFP request, citing the absence of any details of the matters under investigation or details of the records to be examined.

The AFP made no approach to me or my office until federal agents raided the Canberra home of my adviser at dawn on the morning of 16 September. Three Federal Police agents were involved in the search of Dr Dorling’s home. They were federal agent Catherine Castles, the executing officer for the warrant, together with federal agents Gary Brook and Mark Brown. They were
accompanied by Mr Paul Spencer of the Directorate of Security Intelligence, Department of Defence, and Mr Malcolm Morrison who identified himself as being from defence security but who did not provide any official identification.

A copy of a warrant signed on 12 September by an ACT magistrate, Mr Peter Dingwall, was produced which authorised the AFP to search Dr Dorling’s home for a large number of classified Commonwealth government documents and more broadly for evidence relating to the alleged disclosure of classified Commonwealth government documents to journalists and media organisations and the receipt of such documents by journalists in contravention of provisions of the Crimes Act 1914. Significantly, the warrant made no reference to me, to this parliament or Dr Dorling’s employment as my adviser.

Federal agent Castles advised that Mr Spencer and Mr Morrison were present to advise the AFP officers in the course of their search. Both subsequently appeared to participate in the search as much as any of the AFP agents. The comprehensive and lengthy search of Dr Dorling’s home involved exhaustive examination of all rooms and records, both personal and work related. Dr Dorling’s study was photographed. His home computer and palm-top organiser were examined and electronically searched. Household and personal effects and property were examined, two vehicles were searched, the roof of the house was searched, under the house was searched, the garage was searched and the household garbage was examined. The AFP agents appeared to take notes during the course of their search.

Dr Dorling was afforded the opportunity to speak by telephone with me and to seek legal advice. This was extremely difficult to obtain given the calculated timing of the raid, four days after the issue of the warrant and early on the Saturday morning after the opening ceremony of the Sydney Olympics. At approximately 8.35 a.m. Dr Dorling’s solicitor spoke to federal agent Castles by telephone and requested she desist from proceeding as the search involved a contempt or a breach of a member of parliament’s privilege. Agent Castles replied that she was determined to proceed. Following this exchange, Dr Dorling’s legal advisers contacted Justice Higgins of the ACT Supreme Court who issued an order that any documents or others things seized be sealed and placed in the custody of the registrar of the Supreme Court pending any application to set the warrant aside or otherwise return documents to Dr Dorling. No classified Commonwealth government documents were found at Dr Dorling’s home. On Monday 18 September, it was not necessary to pursue an application before the ACT Supreme Court.

Counsel for me and Dr Dorling took the opportunity to express grave concern at the breach of parliamentary privilege arising from the search. Counsel for the AFP characterised these concerns as political statements and advised the court that the warrant holder, agent Castles, denied that there had been any breach of parliamentary privilege.

Like so many political and parliamentary staff, Dr Dorling works not only in my Parliament House and electorate offices but also from home. In the course of their search, AFP agents and defence security officers obtained unrestricted access to a range of confidential material, material belonging to me and in the possession of Dr Dorling as my agent. This material, either stored electronically on Dr Dorling’s home computer or palm-top or in hard copy, included draft parliamentary questions, draft parliamentary speeches, draft and finalised shadow cabinet submissions, confidential working papers relating to defence and intelligence legislation, correspondence and other material relating directly to my parliamentary duties.

These records included material relating to East Timor and the broad issues covered by the search warrant. These are records directly related to the exercise of my parliamentary duties as shadow minister for foreign affairs. The records and material examined by the agents and officers conducting the search included shadow cabinet submissions relating to the Timor Gap Treaty (Transitional Arrangements) Bill 2000 and the Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000. Access was also obtained to confidential analysis and
advice provided to me by Information and Research Services of the Parliamentary Library for use in parliamentary debate and for related parliamentary purposes.

The AFP and defence security were further able to examine extremely sensitive opposition notes and working papers relating to the draft Intelligence Services Bill 2000 that the government proposes to introduce into this parliament. The opposition is on record in expressing in-principle support for putting the Australian Secret Intelligence Service and the Defence Signals Directorate on a statutory basis. We have not yet expressed any public view in respect of the specific draft proposals that have been provided to us confidentially by the government. It is a matter of grave concern that federal agents and defence security personnel have examined confidential opposition papers concerning this draft legislation.

Having sought and been denied the opportunity to conduct an undefined electronic fishing expedition of the records in my Parliament House office, the AFP and defence security have entered my office and my parliamentary affairs via the back door. These actions by agents of the executive arm of government and their obtaining of unfettered access to my confidential parliamentary records and work papers constitutes a most serious and improper interference in the performance of my parliamentary duties. The Minister for Justice is on the public record confirming that she received the briefing from the AFP prior to the search of my adviser’s home. We have learnt today that the Prime Minister was similarly briefed. The full extent, knowledge and involvement of other ministers and their staff in these events is yet to be determined, but it is worth remembering that in the immediate aftermath there was a series of denials of any knowledge at all.

As you are aware, Mr Speaker, the search of my adviser’s home has been the subject of correspondence between the Leader of the Opposition, you and me. As Mr Beazley has said, the opposition believes that the proper processes of law ought to apply to all members, senators and their staff in relation to all matters, personal and official, with the restraint of parliamentary privilege only applying to substantial matters relating to a parliamentarian’s official responsibilities. There is a very clear delineation between personal or administrative responsibilities on the one hand and the official parliamentary duties of a member on the other. The former is not and should not be protected from due legal process, and the concept of parliamentary privilege should apply only to action taken and records held in the context of official parliamentary responsibilities. This position is absolutely consistent with the position we have taken in the Senate in relation to an ongoing police investigation where we have argued that parliamentary privilege should not apply to purely administrative documents or records in the possession of a senator or his or her agent. Such records of a purely administrative nature should be made available for proper scrutiny and be subject to due legal process, and this position is consistent with legal authority.

However, the search warrant executed on my adviser’s home relates directly to my parliamentary and shadow ministerial responsibilities, not to any personal or administrative matter. These are issues specifically raised by me as shadow minister for foreign affairs in this House on numerous occasions. The warrant and the search constitutes an improper interference by agents of the executive government into a parliamentarian’s official responsibilities in an attempt to interfere with and/or intimidate a member of parliament in the conduct of his or her parliamentary duties. This clear and serious breach of parliamentary privilege was further exacerbated as a result of the unfettered access afforded to the AFP and defence security officers to confidential material relating to my parliamentary duties. Mr Speaker, I therefore request that you consider this matter and allow an opportunity for it to be formally referred to the House of Representatives Standing Committee on Privileges.

Mr SPEAKER (4.01 p.m.)—I respond to the member for Kingsford-Smith by indicating to the House that, as the member for Kingsford-Smith has alluded to, he contacted me on the Saturday in question by phone and subsequently the Leader of the Opposition
wrote to me and the request was that the matter be a matter of urgency and be referred to the Committee of Privileges, given that the House was not then to meet for two weeks. I sought from my advisers and from the Clerk indications as to the precedents that had occurred and asked that the office be able to view the warrant. I then responded to the Leader of the Opposition by indicating that I would like additional information before making a decision. The Leader of the Opposition’s response to my letter arrived in my office this morning. That is not in any implied way at all a criticism of the Leader of the Opposition’s action. I gather that the long weekend made it rather more difficult. So it was felt appropriate that the matter be brought to the parliament today. I have allowed the member for Kingsford-Smith more time in this statement to the House than would normally be the case because I felt he had a right to put a comprehensive statement on the public record. I will look at the statement, review the additional information in the Leader of the Opposition’s letter and report to the House.

Mr KERR (Denison) (4.02 p.m.)—This matter also arises out of the investigation into the DIO documents, but a different person has been the subject of what, on the face of it, appears to be victimisation. Mr Speaker, you will note that on 15 February I drew to the attention of the House the matter of Mr Wayne Sievers, then a detective with the Australian Federal Police and one of the Australian Federal Police officers who served with the United Nations force in East Timor. The issue that I then drew to your attention arose after press reports had appeared regarding evidence Mr Sievers had given to a joint parliamentary committee and that Mr Sievers had been subsequently interviewed over an alleged unauthorised disclosure of information to that committee.

There was an exchange of correspondence between me and Minister Vanstone that I referred to and, in your reply to me on 15 March, you referred to correspondence to the Chair of the Joint Standing Committee on Foreign Affairs, Defence and Trade by the Commissioner of the Australian Federal Police. The chair of the committee had written to the commissioner asking for clarification in relation to those events, and the commissioner had replied saying that the Australian Federal Police’s concern had related to comments given by Mr Sievers allegedly directly to the media and not to the evidence given to the committee. That might have been a fine distinction and, in my drawing these matters to your attention, you will recall that Mr Sievers had indicated that in the interview the matter of his evidence to the committee had been directly raised with him. But, in view of those assurances of the commissioner, I accepted your determination that a prima facie case had not been made out of improper interference with a witness to a parliamentary committee. But you quite properly said that that was a serious matter and that I should return should there be further developments.

To come to the present, since that matter, Mr Sievers has been the subject of further dealings within the Australian Federal Police which have led to his resignation from the Australian Federal Police. He regards himself as having been driven out as a result of a vendetta directed against him following the remarks and the evidence he gave to that joint committee. He has resigned from the Australian Federal Police after some 21 years of service and after reaching the rank of detective senior constable and after playing an honourable role in the Australian Federal Police, including being part of the intelligence gathering service which went to East Timor in the lead-up to the election that occurred. The material that he provided to the joint committee was evidence that he had ascertained in that role which pointed to the fact that it was almost a certainty that there was going to be a catastrophe in East Timor following the plebiscite, the vote, and that he was of the view that the Australian government had been so advised and had misled the Australian public.

Mr Sievers states that, following the matters that I referred to, he has been called in for questioning regarding allegations that he might have been a holder of information of or a releaser of information from classified Defence Intelligence Organisation docu-
ments. He says there was no justice to that claim and that he is entirely innocent of it. More importantly, he points to the fact that he was not named in any of the search warrants and that there were no matters appropriate that might have gone before a justice of the peace in relation to the authorisation of any warrant that might have suggested any basis for him holding such documents, being in possession of them or being the unauthorised discloser of such documents. And of course the evidence he gave to that joint parliamentary committee was not in relation to those DIO documents but rather in relation to his own experience in East Timor.

He believes that he has been the subject of a campaign to force his resignation because of those disclosures which he believes deeply embarrassed the government. I refer to his own words quoted in an article in the Sydney Morning Herald on 29 September, where he said that he had resigned in protest at the government’s ‘shameless use of the police for political advantage’ and that:

It is a very dangerous and slippery road we go down when we start to use the police for political purposes.

I note that he has now resigned from the Australian Federal Police and that he no longer is in a position where he will be subjected to those requests which were made of his solicitor regarding his role in the force. But the fact that a member of the Australian Federal Police believes he has been forced out of that service after 21 years as a result of this matter is extremely distressing.

Plainly, I submit that this must be a case that warrants examination by the Privileges Committee. It cannot be the case that you accept, as a basis for excluding further examination of this, that the commissioner wrote at an earlier date denying that there was any such intent. It cannot be on that basis because, if that were so, the executive simply denying the intent would preclude an examination of this kind. Here we have somebody with 21 years of experience with the Australian Federal Police making direct allegations, which he wishes to back up in the Privileges Committee, that the Australian Federal Police has been used improperly in relation to his giving of evidence before a joint parliamentary committee.

I have had the occasion of speaking to Mr Sievers. He holds the views that he has expressed publicly even more passionately on a private basis, and he does wish to have the occasion where he can seek the protection of this parliament. Of course any citizen who gives evidence before a parliamentary committee is entitled to that protection, and I believe it would be an extremely bad message to send to the community at large if a matter of this nature, which was raised by somebody in such a public way with so little to gain, were not able to go to the Privileges Committee. It would be a very bad and worrying sign to those who might otherwise fear what the consequences might be for their employment circumstances if they gave evidence to a parliamentary committee and the factual basis of those differences that appear now to exist could not be properly investigated by the Privileges Committee.

Mr SPEAKER—Before the member for Denison leaves the dispatch box, he referred to an article in the Sydney Morning Herald and it is appropriate that that article be submitted as part of the comments that he has made.

Mr KERR—I am happy to do that.

Mr SPEAKER (4.10 p.m.)—I indicate to the member for Denison that I will look once again at this matter. I will look at the additional material that he has presented to the House today, and it would be appreciated if any material that he has in his hand which he thinks would reinforce the case could be submitted to my office as well.

PERSONAL EXPLANATIONS

Mr LEE (Dobell) (4.10 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the honourable member claim to have been misrepresented?

Mr LEE—I do, Mr Speaker.

Mr SPEAKER—The member for Dobell may proceed.

Mr LEE—Mr Speaker, during question time the minister for education accused me of misleading the House on funding for
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schools. On many occasions, I have said in this House that funding for the 62 wealthy category 1 schools will be increased by the government’s legislation by $50 million. I have gone back this afternoon and checked Dr Kemp’s own figures.

Mr Reith—Mr Speaker, I rise on a point of order. Members are not entitled to use this as a device for debating various aspects of an argument. If he claims to have been misrepresented, he has to say, ‘X, Y and Z was said of me and it is wrong,’ and then sit down. This is just a typical debate outside the rules.

Mr SPEAKER—The Leader of the House makes a valid point of order in that the member for Dobell does have an obligation to come to where he has been misrepresented and indicate in what way he was misrepresented. I made the presumption that he was about to do so and I trust I was right.

Mr LEE—I have gone back to Dr Kemp’s own figures and 1999 enrolments, and the funding for the 62 category 1 schools has increased by $56.5 million, including $1 million extra for Scotch College, his old school.

Mr SPEAKER—The member for Dobell has indicated where he was misrepresented and will resume his seat.

PRIVILEGE

Mr PRICE (Chifley) (4.12 p.m.)—Mr Speaker, in relation to the very important matter raised by the member for Denison, will the joint standing committee itself have an opportunity to also formulate a view and give a recommendation to you?

Mr SPEAKER (4.12 p.m.)—It is customary for the Speaker to look at the evidence and then determine whether or not a referral should occur and I will do just that. I am happy to hear from other members who may have a particular point of view, but I think it is either referred to the committee or not referred to the committee. It cannot be referred to the committee for an initial assessment, as it were. If the member for Chifley feels there is some other way around this matter that he would like to alert me to, I am happy to discuss it with him. It was my intent to look at the evidence presented by the member for Kingsford-Smith and the member for Denison—and I should indicate, if my memory serves me well, that I think the member for Grey also has an outstanding matter—and indicate to the House what I intend should happen on each of those three matters.

AUSTRALIAN NATIONAL AUDIT OFFICE

Annual Report

Mr SPEAKER—I present the annual report of the Australian National Audit Office for 1999-2000.

Ordered that the report be printed.

AUDITOR-GENERAL’S REPORTS

Reports Nos 10, 11 and 12 of 1999-2000

Mr SPEAKER—I present the Auditor-General’s audit reports Nos 10, 11 and 12 of 1999-2000 entitled No. 10—Performance audit—AQIS cost-recovery systems—Australian Quarantine and Inspection Service; No. 11—Performance audit—Knowledge system equipment acquisition projects in Defence—Department of Defence, and No. 12—Follow-up performance audit—Passenger movement charge—Australian Customs Service.

Ordered that the reports be printed.

PAPERS

Mr REITH (Flinders—Leader of the House)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

Motion (by Mr Reith) proposed:

That the House take note of the following papers:


Barrow Creek (Kaytetye) Land Claim No. 161 with Explanatory Statement.

Quarterly Report of the Chief Executive Officer of ARPANSA for the period of 1 April to 30 June 2000.


Debate (on motion by Mr McMullan) adjourned.
DIVISION BELLS

Mr SPEAKER (4.15 p.m.)—I wish to inform the House—though the information will not be as widespread as I would wish—of a change to the division bells to make it more noticeable if a division or quorum is called in the other chamber when the bells are already ringing. Until now, it has often been difficult for members and senators to distinguish if a division or quorum is called in one chamber when the bells are already ringing to summon parliamentarians to a division or quorum in the other chamber. This has been particularly so in the central areas of the building where there is no difference in volume between the bells of the two houses. From today, a sharp additional sound will be inserted at three-second intervals when a simultaneous division or quorum is called and will continue while both divisions or quorums are being called. When only one division is being called, the bells will continue to ring as before.

Mr Beazley interjecting—

Mr SPEAKER—For the benefit of the Leader of the Opposition, I should indicate that the House Committee has already tested and approved this particular move.

MATTERS OF PUBLIC IMPORTANCE

Petrol Prices: Rural and Regional Australia

Mr SPEAKER—I have received a letter from the honourable member for Corio proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The failure of the government to keep its commitment to Australian farmers to effectively reduce the cost of fuel.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr O’CONNOR (Corio) (4.17 p.m.)—The Prime Minister’s broken promise on fuel represents one of the most comprehensive betrayals of farmers, their families and their communities in our recent memory. We have come to expect this from a city based Prime Minister who thinks he can wash away the legitimate concerns of farmers and their families merely by donning an Akubra hat, while his city based Treasurer thrusts his greedy hands deeper into farmers’ pockets to obtain more revenue for this wasteful government. We all know in this place what a serial offender the Prime Minister is when it comes to broken promises. It is only now that farmers have come to understand that, when this Prime Minister and this Treasurer make a promise, it is not worth the paper it is written on; it is simply not worth a tinker’s cuss.

Agriculture is a precarious business at the best of times, as you know, Mr Deputy Speaker Nehl. A lot of farming activity is undertaken in country where it is increasingly difficult for a multitude of reasons to maintain agricultural productivity. Farmers have to contend with climate variables, such as drought and flood, that can set their farming enterprises back years. They have to contend with outbreaks of diseases and pests that can have a devastating effect on production. We have only to go to Mackay in Queensland today and look at the devastation of the cane fields through orange rust, or look at the looming plague of locusts in the east and west of this great land to understand the importance of diseases and pests to agricultural productivity. Also, farmers in key industries in rural Australia—wheat, dairy, wool and sugar—are price takers. They are price takers in markets that are corrupted by the actions of national government. They have had to contend with all these factors in earning their living. And now they have to contend with the broken promises of a Liberal Prime Minister and a Liberal Treasurer who have their hands, at this point in time, deep into the pockets of farmers on fuel.

When the Prime Minister gave his solemn promise to ‘never ever introduce a GST’, farmers took the Prime Minister at his word. They found, to their dismay, that the Prime Minister had made what he called a ‘non-core promise’. Even at this point, farmers and their families gave the Prime Minister the benefit of the doubt. They accepted the Prime Minister’s promise that they would
receive compensation for the inflationary effects induced by the GST, even though many of them received low, or had negative, incomes. They accepted the Prime Minister’s promise that exports from the rural sector would receive a huge boost as a result of the introduction of the GST, even though many of them were producing for the domestic market or were in industries with low levels of exports. They accepted the Treasurer’s propaganda on the evils of the wholesale sales tax system and the effects of cascading taxes, even though many were exempt from paying wholesale sales tax on their inputs.

They believed the Prime Minister’s promise that the price of fuel would not rise as a result of the introduction of the GST. In all their doubts and misgivings they had about ‘never ever’ and about ‘non-core promises’, they clung to one promise above all others, and that was the Prime Minister’s promise on fuel. Then came the sickening feeling in their stomachs when the Prime Minister changed his rhetoric. He changed it from ‘fuel prices will not rise’ to ‘fuel prices need not rise’. At that point in time, farmers and their families knew that, politically, they had been stabbed in the back by the Liberal Party and this Prime Minister. They knew at that point that this was the ultimate betrayal.

We in the opposition have been hounding the government in public debate on the issue of petrol and diesel prices, and we have been pilloried by the government for it. Here in Parliament House today there have been representatives from the National Farmers Federation, representing farmers from all over Australia. They are not only seeking relief for their constituency on the issue of the price of fuel but also wanting the government to honour the promise it made to them on fuel. Let me remind members opposite of the promise the government made to this constituency on fuel. I go to the Prime Minister’s speech in Hamilton, Victoria, on 2 August 1999. This is what the Prime Minister said:

... there are a lot of benefits in that tax reform for people in rural Australia. To start with fuel is going to be dramatically cheaper.

We now know that, as a result of the introduction of the GST, fuel for farmers, especially petrol, will be dearer. Those are the mathematical and inescapable facts. Those are the facts that the government will not confront and those are the facts that give substance to the betrayal that has occurred to this constituency on fuel. The Prime Minister went on to say this:

We have decided that there will be a few principles that are going to guide the making of our decisions and one of those principles will be that we don’t intend to make changes that are going in any way to erode the competitiveness of farmers or in any way hurt people who live in rural Australia.

We now know that these increases in fuel prices, deliberately concealed by the government through the GST, are impacting on costs and farmers’ competitiveness. We also know that these increases in fuel prices are hurting farm families. Farmers in Australia are entering a very dangerous period where there are major cost impacts on their bottom line. We have seen the slump in the currency. Nobody will deny that there are some advantages to farmers that are exporting, but there is a dark side to the moon as far as this substantial currency devaluation is concerned. We are now seeing an increase in the cost of farm inputs—tractors and farm equipment and chemicals—of an unprecedented scale. Of course, that is feeding into the inflation rate. We have a direct impact on farm costs as a result of the introduction of the GST. The government has concealed and deliberately understated that impact.

Labor spent 13 years cutting out the inflation cancer from the Australian economy that had been left by the Liberal and National parties. It took us 13 years to cut the Liberal inflation cancer out and, in one fell swoop, the government has ramped up the inflation rate not only for the general community but for farmers as well. As any farmer knows, when the inflation rate goes up, when the spike occurs in fuel and in farm costs, what follows are increases in interest rates. You heard it from them today, Minister.
Mr O’CONNOR—I certainly will, Mr Deputy Speaker. You didn’t meet the National Farmers Federation today?

Mr DEPUTY SPEAKER—No, I did not.

Mr O’CONNOR—Let me tell you that I did. I met the National Farmers Federation today. You would have liked to have been a fly on the wall for that particular discussion. Let me talk about interest rates. We hear a lot from the government on interest rates and the Labor Party. You are now in the business of ramping up fuel costs. You are now in the business of ramping up inflation. As day turns to night and as night turns to day, what will follow will be an increase in interest rates, and it will be the direct result of the actions of the Liberal and National parties on the issue of the GST.

For the benefit of the House, let me give an indication of the extent of the increase in fuel costs as experienced by farmers. On 17 December, the *Sunday Mail* reported that the cost of diesel to farmers had risen by 35c per litre over the past 12 months. Terry Sharp of Agforce is quoted as saying that, on a medium sized grain property using 100,000 litres a year, the grower is $35,000 worse off. We on this side of the House do not deny that a substantial component can be attributed to the increase in the international price of fuel. At this point you have reneged on your promise over the diesel fuel rebate—

Mr DEPUTY SPEAKER—The chair has not reneged, member for Corio!

Mr O’CONNOR—And you have your hand in—

Mr DEPUTY SPEAKER—No! The chair does not have its hand anywhere.

Mr O’CONNOR—How precious we are in this House today!

Mr DEPUTY SPEAKER—If you are reflecting on the chair, you can—

Mr O’CONNOR—How sensitive we are in this House today on the issue of fuel! You know when the coalition is on the run, Mr Deputy Speaker: it is when we press the fuel button.

Mr TRUSS—Mr Deputy Speaker, I raise a point of order. The honourable member for Corio is showing gross disrespect to the chair by implying that the chair is being anything but impartial in his control of the debate. I urge you to call him to order.

Mr DEPUTY SPEAKER—I thank the minister. Before recalling the honourable member for Corio, I indicate that I took the same view. I suggest to the member that he should not continue to make such inferences.

Mr O’CONNOR—Mr Deputy Speaker, you would be the last person that I would cause pain to in this House. Let me point to the most insidious impact of the increase in the price of fuel as far as farmers are concerned. On 26 September, the Livestock Transporters Association of New South Wales announced that the jump in diesel prices was forcing them to lift trucking rates by five per cent. The Queensland livestock transporters said that an increase of 10 per cent was inevitable. What we do know is that the government already has its hand in farmers’ pockets to the tune of $20 million to $25 million by reneging on its promise over the diesel fuel rebate. Why doesn’t the government, firstly, get its hand out of farmers’ pockets and, secondly, consider returning to them the windfall that we in the opposition know is coming to the government as a result of the GST?

We know that there is a GST impact and that it is in excess of $100 million. We know that there is a windfall from the petroleum resource rent tax somewhere in the region of $500 million. And we know that there is a higher indexation adjustment of fuel excise in the region of $50 million. Some $700 million has been identified by the Australian Automobile Association, and that impost is a windfall to the government in excess of what it said it would collect. Where have the National Party been on this? Where has the minister been on this? They made some grandiose promises at the last election. John Anderson had this to say on the *Sunday* program on 16 May. The reporter said:

Would you walk out of government, if the government contemplated a deal with the Democrats that cost you that fuel reduction?

Anderson said:

If the government I’m a part of did something like that then, yeah, I mean, I couldn’t be a part of that.
He said he could not be part of a policy that disadvantaged farmers. It is about time the Leader of the National Party resigned. As for the Minister for Agriculture, Fisheries and Forestry, who is at the table, he is trying to intimidate farmers by saying that they are already receiving benefits. Do not try to say that you did not try to intimidate them, because they are telling us that you did. The point simply is this, Minister: you went to them with grandiose promises on fuel, and you have broken them. From their vantage points in their ivory towers, the National Party—with Senator McGauran in the headquarters of the National Party in Collins Street, Melbourne, and Senator Boswell on the 36th floor of Westfield Towers or whatever it is in Brisbane—are pontificating on fuel to farmers out in the field. Farmers know that they have been betrayed, they know their families have been betrayed, and when the next elections come they are going to take to you with a political baseball bat.

(Time expired)

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (4.32 p.m.)—I have to say that I am amazed that the member for Corio could come into this place as a representative of the greatest fuel taxers in Australian history and criticise this government’s record on fuel taxation. Labor, throughout their term in office, went from one binge of fuel taxation increases to the next. They held all the records, all the gold medals, when it came to increasing fuel taxes, and now they come into this chamber today and are critical of this government’s performance on fuel taxation.

I was interested to listen to the member for Corio. He did not say one word in rebuttal of the famous statements of the member for Dickson when she was the Labor Party spokesperson on regional affairs. She said that any cuts in fuel excise are a subsidy on pollution. Labor’s view is that lower fuel prices are a subsidy on pollution. The member for Corio has never distanced himself from the comments of the regional affairs spokesperson. Labor believes that lower fuel prices are a subsidy on pollution. This is the party that is coming here now and suggesting to us that it might actually be going to freeze an excise rise that might occur four months in the future.

No-one seriously believes that Labor would ever lower taxes on fuel. They have too much form when it comes to fuel taxes. Let us remember that in their last 13 years in office Labor increased excise on fuel, as the Treasurer reported in question time today, from 6.2c a litre to 34.2c a litre. That is Labor’s record. The last time they were in government, the last time they had a chance to lower fuel excise, what did they do? They increased it from 6.2c a litre to 34.2c a litre. That is their performance—a 500 per cent increase in fuel excise. That is what Labor did when they were last in office. To bring this into a little further stark capacity, Mr Deputy Speaker, you might be interested to know that, of all the fuel excise rises that we have had in our nation’s history, Labor are responsible for three times more in those 13 years than all of the rest of Australia’s governments over 100 years.

Mrs Hull—How many times?

Mr DEPUTY SPEAKER (Mr Nehl)—The honourable member for Riverina is not in her place and will be silent.

Mr TRUSS—Labor, in 13 years, increased fuel excise by three times more than all of the other governments in Australian history, including Labor governments. They are the ones who we are asked to believe are of a mind to lower fuel taxation.

Let us look a little further at their record. In office they increased fuel excise by 500 per cent. It was Labor that invented fuel indexation. Labor invented it. Now they are asking us to believe that somehow or other they would change it, even though they did not change it—in fact, they made it worse—in 13 years in office. Let us also remember that it was Labor that ended the old country price fuel equalisation scheme. It was Labor that voted against the new diesel fuel rebate scheme, which provides rebates to people, particularly heavy transport users on the roads. Labor voted against that opportunity to lower taxes by 24c a litre.

We have here the member for Corio coming into the House today criticising what the price of fuel is today. What road transport
operators need to remember is that, whatever price it is today, it would be at least 24c a litre worse if Labor had got their way. If Labor had got their way, it would be 24c a litre higher than today. The Australian Livestock Transport Association, when welcoming the government’s new tax package, said it could reduce costs in the transport industry by 15 per cent compared with what they otherwise would be. If Labor were in office, whatever the prices of transport might be today, they would be 15 per cent higher under Labor’s WST, under Labor’s denial of this diesel fuel rebate scheme. Labor voted against all of that. Labor also voted against GST rebates for fuel used in business. They were against cheaper fuel for people who buy fuel for business purposes. They voted against that. Labor also voted against the $500 million scheme to help equalise the tax paid between country and city areas. Labor voted against that $500 million worth of support for fuel prices in country areas. Who can believe them now if they tell us that they have had a conversion, that all of a sudden things are going to be different?

This conversion has come over the words of the Deputy Leader of the Opposition. Only a couple of months ago, he went on the record in saying that Labor had ‘no intention of reducing fuel excise’—no intention of reducing the taxes collected on fuel. He was backing up the views of the shadow minister for regional development at the time, who thought that reductions in fuel excise were a subsidy on pollution. So that is Labor’s past record: 13 consistent years of massively increasing fuel excise. And it has the hide to criticise our government’s record on fuel excise.

Let us trace it through again to emphasise this point about Labor’s record. In not quite 90-odd years of Australian Federation, we reached the stage where fuel excise was 6.2c a litre. After 13 years of Labor, it had gone to 34.2c a litre. Now, under five years of the coalition, it has gone to 38.1c a litre. So, on our record, we have managed to increase it less than 4c a litre; Labor managed 28c a litre during its 13 years in office. So its form is on the board. We know where it stands on the question of fuel excise.

Repeatedly we also have these claims from the opposition that it is all the GST’s fault, this has all happened because of the GST—the price of fuel has gone up because of the GST. We have in Queensland the rank hypocrisy of Premier Beattie, rushing around and saying that it is all the fault of the GST. If there is any windfall going to the states, and if Mr Beattie and Mr Elder are genuinely concerned about the impact of the GST on the price of fuel and would like to rebate it to motorists in that state—and I would remind the states, including Mr Beattie, that they get all the revenue from the GST—I am quite sure that our federal Treasurer would be happy to accommodate their wishes in that regard. If the states want to give up their GST windfalls, then we will be happy to accommodate them in that regard.

In fact, if you have any doubt about where Labor stands, you have only to look at the performance of the Labor state governments on fuel excise. Look at Premier Beattie again in Queensland: he could not wait to get rid of Queensland’s 8.1c a litre subsidy scheme on fuel in that state. He tried to bring in a scheme just before the end of the last financial year, trying to blame the federal government for his having to get rid of the Queensland 8c a litre subsidy—until he was finally shamed into withdrawing his plan to get rid of the subsidy. He has not got rid of it altogether; it is still there on the shelf. When the next election is over, if Queenslanders have been unfortunate enough to have a return of the Beattie government, it will be out there again, trying to get back to its old form and putting up the price of fuel. It does not care about the impact on regional Australia. All it wants is greater revenue for its new stadiums and all else that Premier Beattie wants to build in Brisbane.

But even then, even though Beattie was forced to back down on his plan to abolish the state’s fuel tax rebate scheme, his department has still sent angry letters to every person who gets concessional fuel in Queensland demanding that they return to the state government any excise-free fuel. They have been told that they have to pay 8c a litre to the state government and that they must do it within a very short period of time or there
will be a 100 per cent penalty and 20 per cent interest rates charged on it. This is the level of generosity we have from state Labor governments which have the capacity to provide real support to people in the rural sector who are using fuel bought with the benefit of the subsidy on roads. Those governments are demanding that this money be repaid. This is the kind of attitude that Labor has towards fuel taxes. Any way it can find to increase revenue out of fuel taxation, it will take it—you can count on it taking it. Labor’s record over the years has been absolutely consistent in that regard. You cannot accuse it of inconsistency; it always puts the taxes up. There has never been an occasion where Labor in government has reduced taxes on fuel.

But there is a contrast then with the coalition. There are demands at the present time for there to be a reduction in the taxes on fuel—and we have already delivered. On 1 July, we delivered a significant new scheme which delivers tax relief on fuel for people who are using that fuel for heavy transport on our road system. That is a major benefit for all people who live in rural and regional Australia. It is a major benefit for those who do business in country areas because the cost of getting their goods to markets in the cities, the cost of getting their inputs out to their country located factories, has been reduced as a result. In addition to that, farmers benefit from having lower costs associated with transporting their produce by road to the marketplace. They are 24c a litre better off than they would have been had Labor got its way and voted that scheme out. That particular measure was worth around $30 million a year alone. These are real savings, real cuts in taxes on fuel delivered to farmers—something Labor has never done and will never do.

I do not want to detract in any way from the concerns that there are in rural and regional Australia about higher fuel prices. I recognise that fuel is the lifeblood of industry and commerce in regional areas and that any increase in the price affects costs. I was in a farm organisation as a farm leader before I came into this House and I can recall complaining then about the price of fuel—complaining bitterly about Labor’s massive increases in excise at the time. Those costs are real and do have an impact on the rural sector. This government will do what it possibly can to make sure that the impact of higher transport costs on regional Australia is as small as possible, and it has taken many significant initiatives in addition to the reductions in taxes on fuel. I announced last week an intention by the government to proceed with a study on the use of ethanol and the potential to use ethanol as a substitute fuel in Australia. There are a number of alternative fuel proposals around, and I think all of these are worthy of consideration.

Let me also make it clear that, when we are looking at the impact of fuel prices on farmers as distinct from other sectors of the community, farmers have significant advantages in relation to fuel price. For instance, farmers are eligible for a rebate on the excise for all of the fuel and all of the diesel that is used on farm by farmers in the production of their produce. That is a scheme that significantly reduces farm costs. It is a scheme that has been widely welcomed by farmers and certainly makes a significant difference in their cost structures.

I notice that the member for Corio suggested that farmers were being disadvantaged competitively with the fuel costs in other parts of the world. The reality is that the price farmers pay for their fuel in Australia is not out of proportion with the price paid in other parts of the world. Indeed, compared with most countries of the world, our price is actually lower; so we are not at a significant disadvantage in that regard. Having said that, I acknowledge that any increase in the price for whatever reason is unwelcome. We know the reason why there are higher fuel prices at the present time: the higher price of oil. It has gone from something like $A19 a barrel to $A58 a barrel in a period of 18 months. That is a very significant increase, and naturally that is going to flow through to all users of fuel. As a part of that, the impact of the higher oil prices has
certainly been accelerated by a decline in the value of the Australian dollar. But, as the honourable member for Corio at least had the honesty to acknowledge, that has an upside for farmers as well. It does mean that our exports are worth more around the world.

Mr O’Connor—I did acknowledge that.

Mr TRUSS—I said that. You acknowledged it. It also means that our products are more competitive on the domestic market against imports, because it is more costly for them to come into our country. There are significant advantages there. When you take those advantages and when you have a free-floating dollar, which the opposition supports and I think most people in the nation support, there are going to be ups and downs. When the dollar goes down, farm returns go up. The NFF acknowledge that the lower dollar will be worth $1 billion to farm returns this year. But it does mean there are some higher costs that farmers need to absorb. Higher fuel prices are unwelcome. This government has done more to address fuel prices in five years than Labor did in a century. (Time expired)

Mr GIBBONS (Bendigo) (4.47 p.m.)—I am delighted to participate in this matter of public importance relating to fuel prices in regional Australia and their impact in particular on the farming community. If any government were to set out a deliberate strategy to cripple regional Australia and its farming community, the best way of doing so would be to ensure that fuel prices are kept at the highest possible levels, and that is precisely what this government is doing. Fuel, both diesel and petrol, is the lifeblood of almost every aspect of rural life. The Howard government has presided over the highest country fuel prices since the invention of the motor vehicle.

Unleaded fuel today in Bendigo is 99.9c per litre. In Maryborough, its 102.9c per litre. In Castlemaine, it is 99.9. In Wedderburn, it is 101.9. In Heathcote, it is 99.9. In Inglewood, it is 101c a litre. In Elmore, which used to be a National Party stronghold, it is 101.9. Swan Hill today has unleaded at 103.9, and in Mildura it is 105.9. This price regime is slowly strangling regional Australia and its farming community. We have seen the transport industry, a very important part of the farming industry, blockading oil refineries in an attempt to drive home the point that they are going broke rapidly because of this government’s inaction. These people are not militant trade union activists hell-bent on destroying society as we know it, as the Treasurer and the Minister for Employment, Workplace Relations and Small Business would have us believe; they are ordinary Australian small business men and women and owner-drivers who are facing ruin because this government will not listen or act to secure their future.

We even had the Treasurer on the ABC program Statewide last week trying to blame high fuel prices on an industrial dispute. We on the Labor side always know when we have the tories on the back foot—they go the union bash every time. According to the Treasurer, ‘It’s not our GST; it’s not our excise policy; it’s an industrial dispute.’ What rubbish! But it is precisely what we have come to expect from a Treasurer who thinks that a trip to regional Australia is a visit to the Gold Coast. It is what we have come to expect from a Treasurer whose only policy for regional Australia is to slash the wages of country workers, make it easier for employers to sack people, slug everyone with a GST and of course make them pay for petrol with their blood, sweat and tears. We could be forgiven for asking what regional Australia has done to the Prime Minister and this Treasurer to deserve this sort of treatment.

According to economists quoted in the Australian newspaper on 28 September, the government will net a windfall gain of almost half a billion dollars as a direct result of their policy. Dr Ken Ogden, an RACV policy manager, was quoted in the same newspaper as saying the government could earn some $470 million more than it expects from high fuel prices, reaping up to $1.75 billion from its resource rent tax, up from an anticipated $1.28 billion. Dr Ogden has called on the government to abandon plans to increase prices by a further 3c per litre next February in line with inflation. In a letter to its members, the RACV said:

Members would be acutely aware that the Federal Government failed to deliver on its promise that,
with the introduction of the GST on 1 July, fuel excise would be reduced so that the pump price of petrol "will not rise".

Here it is—a Liberal Party campaign headquarters letter on petrol prices. It states:

There will be no increase in the price of petrol as a result of the GST. The reason is that the government will reduce the petrol excise by an amount equivalent to the GST. Nor will there be any increase in price differential between city and country areas.

What a joke! It continues:

In fact, petrol prices should fall and the differential should decrease as a result of the reduced cost of transporting petrol.

There it is from the Liberal Party campaign headquarters. On 13 August 1998 in an address to the nation, the Prime Minister said:

The GST will not increase the price of petrol for the ordinary motorist.

On 7 September 1998, the Treasurer said in a press release:

The Government’s proposed New Tax System will not lead to any increase in petrol prices.

Again, that is a joke. Once again, the Prime Minister and Treasurer have been caught out saying one thing before an election and saying something totally different after a poll, a poll which shows that a lot of people and farming communities in regional Australia continue to support the coalition. What really happened was that, under the guise of the GST, the federal government increased its take on every litre sold from 35.8c per litre to 37.48c per litre. A further 10 per cent GST is then added at the pump. It continued:

Given that GST is a flat tax and calculated on the final pump price of fuel and imposed on top of fuel excise, this effectively became a tax on a tax. In an environment of higher oil prices, the per litre price of fuel naturally rose.

What has happened to petrol taxation is blatantly unfair, and RACV has once again approached Canberra to remove the indexation of fuel excise and to freeze excise at its current level.

RACV has long called for the abolition of indexation of fuel prices, as it is an arbitrary increase in tax. In response the Federal Government has likened indexation of petrol to indexation of pensions. This argument tries to link a revenue stream (petrol excise) to a payment stream (pension increases).

Petroleum excise goes into general revenue and is one of a number of income streams for the Commonwealth. There is no direct link between these streams of income or expenditure.

As fuel prices form a significant part of the CPI calculation, increasing the excise component in line with itself is simply using a multiplier to increase the level of excise collected. If indexation of excise is frozen, this will reduce the cost of petrol to all the community, including those on fixed incomes.

If the Government were to stop the indexation of petrol, it would forgo income of $200 million for the financial year, but on the other side of the ledger it would receive additional income estimated at $610 million as a result of higher oil and petrol prices. Most of this windfall was unbudgeted.

With petrol prices hovering at an all-time high, next February’s CPI increase in the petrol excise must be prevented. All the automobile clubs are united in their call for the removal of indexation of petrol excise, and replaced with transparent taxation which only occurs during the Budget process and debated on the floor of the Parliament.

The government would have us believe that the high world price of crude oil and a fictitious industrial dispute—according to the Treasurer—are the sole reasons for the price of petrol in regional Australia. Higher crude oil prices are a contributing factor but, as the RACV has pointed out, it is within the power of the Howard government to reduce the at-pump price by almost 3c per litre immediately. February’s CPI could result in another 3c per litre increase if the government refuses to give ground. Another 3c per litre petrol increase would sound the death knell for regional Australia. The high world price of crude oil is a factor in the crippling price of fuel in regional Australia, but we should never forget who introduced world parity pricing. It was the National Party member for the very marginal seat of Richmond’s dear old dad, the former leader of the then National Country Party, Doug Anthony. Is it any wonder that the National Party is held in such low regard around the country?

We have seen stories in the media of nervous government backbenchers expressing absolute fear as to the results of the next
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election if the government does not give ground and reduce the excise by at least 3c per litre. We have seen them argue that the windfall should be spent on improving roads throughout regional Australia but, again, the argument falls on deaf ears. In fact, this government is walking away from even maintaining its existing commitment to road funding. In an answer to a question on notice referring to the status of the Calder Highway, asked by the member for Batman on 20 June 2000, the National Party Deputy Prime Minister and Minister for Transport and Regional Services said:

The Calder Highway is a state arterial and the responsibility of the Victorian Government.

The Deputy Prime Minister is wrong. The Calder Highway was proclaimed a national arterial road by the former Minister for Transport and Regional Development, John Sharp, on 3 June 1997. In fact, a sign erected a few kilometres south of Kyneton states clearly that the Calder is a road of national importance. So this Liberal-National coalition government not only is content to sit by and gather in huge windfalls of petrol dollars but refuses to increase road funding and tries to slime out of its obligations to fund current works on the Calder Highway, leaving the Victorian state government to go it alone.

And what do we hear from the Prime Minister: which schools and which hospitals do we want closed if he reduces the fuel tax. This comment alone has caused the most anger that I have yet experienced from smaller regional communities. The Prime Minister should don the daggy hat—and let’s not forget the Driza-Bone—and head out into regional Australia and learn first-hand just how difficult it is for these small farming communities to survive under the Howard philosophy. Regional Australia is burning while Emperor Howard fiddles.

We have all seen the Prime Minister at the Olympics. I do not dispute that the Prime Minister should have been at the Olympics—of course he should have—but did he need to be there every day for every event? What must have regional Australians thought, being crippled by fuel prices and seeing our Prime Minister partying at the Olympics? And the National Party were totally power-less in standing up to Howard and Costello. I am delighted that this policy has been implemented, not because it helps regional Australia but because it will help me get re-elected and it will help a lot of my colleagues in regional seats get re-elected. It will be down to John Howard and Peter Costello, and we will thank you very much when we are on the opposite side of the House, behind Prime Minister Kim Beazley.

Mr Ian MacFarlane (Groom) (4.57 p.m.)—I thank the previous speakers for their comments. When it comes to understanding fuel prices on farms, I claim to have a little inside knowledge. We have a situation here where the Labor Party, those who sit opposite, are making claims about the price of fuel which history shows they simply do not believe. I say to the member for Bendigo: it will be a long time before you are over here, mate, because farmers are going to take a long time to forget your performance last time around. You increased the excise on fuel by 550 per cent. When you came to power, excise was 16 per cent of the price of fuel; when you were kicked out, it was 54 per cent of the price of fuel. Under the current government, it is back down to 39 per cent of the price of fuel.

The reality is that the federal government have delivered on all our promises. Every promise we made to the NFF, every promise we made to the farmers, has been delivered—except the ones that those who sit opposite stopped us delivering. I sat in the House and listened to the member for Corio speak with passion about why we should not pass the Diesel and Alternative Fuels Grants Scheme. The people he was hurting by opposing that bill are the farmers he pretends to support today. I sat and listened to him oppose a saving which is today delivering 27c a litre to the truck drivers and farmers in my electorate—27c a litre off. Truck drivers and farmers who take their trucks on the road are paying a little over 10c a litre in excise. Of course, they do not pay the GST—and I thought the Deputy Leader of the Opposition was a bit confused for a little while during question time, because he seemed to think they do, but they do not.
The trucking industry is paying less for fuel now than it was in June, less for fuel now than it was in January and about the same for fuel as it was this time last year. For Terry Sharp’s information—I happen to know Terry very well; he used to be on the board that I led for the Queensland Grain Growers Association, the same esteemed organisation that the Minister for Agriculture, Fisheries and Forestry was a member of—the price of fuel has not gone up 35c in the last 12 months; it has gone up something like 26c a litre, and it has gone up as a result of world prices, in spite of everything we have done. We have delivered every promise to the farmers, in spite of the Labor Party, in spite of opposition from members like the member for Corio, who did not want regional Australia to get savings on transport diesel. He stood in this House, and I listened to him, and he spoke against it.

The federal government are ensuring that farmers are exempted from everything we can exempt them from. They pay no excise on the diesel they use on farm, no excise at all, and because they operate their petrol driven vehicles they get a break on that as well from the GST. That is something that they have never had before, and that is something that Ian Donges, as I remember it, when he was campaigning for changes to the taxation system in the lead-up to the last election, was strongly supporting, and we have delivered. We have delivered on the grants scheme to ensure that the differential between city and country does not blow out as a result of the changes in the tax system, and what happened? The Labor Party opposed it—a scheme worth $500 million, and they opposed it.

So, what we have here today are some opportunistic comments from the other side about what we should be doing on fuel. Let me recap on their record. When they came into power in 1983 excise was 6.1c a litre; when they left power—I should say ‘were chucked out’; that would be more like it—it was 34.2c a litre. If that was the worst component of their time in power that would be bad enough, but it gets worse. The member for Corio talked about interest rates. Well, I remember interest rates. I had friends who were paying 28 per cent per annum through stock and station agents to borrow money; overdraft rates and farm borrowing rates at 20 per cent or better.

So do not talk to me about what the farmers want. They know what they want: they do not want Labor returned. They still remember excise jumps of 550 per cent. They still remember when you jumped excise 5c a litre in the 1993 budget—$5.2 billion for you; you did not spend it on farmers. And the Labor Party were the ones who introduced indexation of fuel excise—yet they sit here today with sheer hypocrisy, trying to quote things that never happened under Labor that have happened under this government. When did Labor cut fuel excise? On 1 July we cut fuel excise by $2.7 billion. The people who are out there complaining about the price of fuel know that if it were not for us they would be paying a lot more today. Had you, Member for Corio, been successful in your speech in the House on the alternative fuel grants scheme then they would be paying 27c a litre more for their fuel on the road today. Do not think you have fooled them, because you have not.

I have been speaking with rural industry, and I have been speaking with the likes of Terry Sharp—although Terry was a bit confused from time to time as to where the GST actually goes. I have explained to him that it goes to the states and, as the Minister for Agriculture, Fisheries and Forestry said, if Peter Beattie is so concerned about the price of fuel he has ample opportunity to refund it. In fact, he has the mechanism there already. So I do not want to hear these crocodile tears and this hypocrisy from the other side.

I commiserate with and I feel for the farmers out there who have seen real increases in fuel prices in the last 12 months. In the last 18 months it has been particularly severe. I understand what they are going through. I have been there myself. But this government have done everything we can to reduce the fuel excise burden on them. They acknowledge that. They acknowledge that the reduction in transport costs would have been greater had the world price not increased. But some of them have in fact experienced cuts in freight rates, and in other
cases they have not seen freight rates increase as a direct result of what we have done. I remind the member for Corio that fuel to trucks is cheaper now than it was in June or in January. That is an undisputable fact.

We cannot make it rain or not rain. And we, the government, cannot do anything about the commodity prices. But we are doing what we can about fuel prices. We have cut our take, as I say, by $2.7 billion, and the great beneficiaries of that are regional Australia. The great beneficiaries of that come from areas that rely on transport. I had to sit here and be subjected to some astounding assertions from the member for Corio about what we, the government, should do about fuel excise, when we have already done it. I know the Labor Party opposed it. I know they wished it had never happened, but the reality is that out there, as a result of what we have done, diesel is cheaper than it was on 30 June for trucks on the road. That is absolutely irrefutable. You cannot say it is not. I have had truck drivers bring their fuel price dockets in, and it is right, and they have admitted it. Contrary to what they may be saying in the press, they have admitted that fuel has got cheaper as a result of the policies of this government.

This government will continue to work with rural industry to do what we can about the price of fuel. We have, as I have said repeatedly, delivered substantial savings to regional Australia. I know that farmers will be grateful for that. I know that they will never forget what Labor did to them in terms of both fuel prices and interest rates, and I know that if we continue to work together we will get the result that the farmers want.

(Time expired)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion has concluded.

ASSENT TO BILLS

Messages from the Governor-General reported informing the House of assent to the following bills:

- Classification (Publications, Films and Computer Games) Amendment Bill (No. 1) 2000
- Copyright Amendment (Digital Agenda) Bill 2000
- Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 2000
- Defence Legislation Amendment (Flexible Career Practices) Bill 2000
- Taxation Laws Amendment Bill (No. 4) 2000
- Excise Amendment (Compliance Improvement) Bill 2000
- Customs Tariff Amendment Bill (No. 3) 2000
- Trade Marks Amendment (Madrid Protocol) Bill 2000
- Retirement Assistance for Farmers Scheme Extension Bill 2000
- Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000
- Therapeutic Goods Amendment Bill (No. 3) 2000

MAIN COMMITTEE

Mr DEPUTY SPEAKER (Mr Jenkins)—I advise the House that the Deputy Speaker has fixed Wednesday, 4 October 2000, at 9.40 a.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

COMMITTEES

Selection Committee

Amended Report

Mr NEHL (Cowper) (5.08 p.m.)—I present the amended report of the Selection Committee relating to the consideration of committee and delegation reports and private members business on Monday, 9 October 2000. Copies of the report have been circulated to honourable members in the chamber.


The amended report read as follows—

Amended report relating to the consideration of committee and delegation reports and private members business on Monday, 9 October 2000

The Selection Committee has amended its determinations relating to the order of precedence and times to be allotted for consideration of committee and delegation reports and private members business on Monday, 9 October 2000. The amended order of precedence and allotments of time determined by the Committee are shown in the list.
COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 AUSTRALIAN PARLIAMENTARY DELEGATION TO THE EUROPEAN INSTITUTIONS: Australia and the European Institutions: An Australian parliamentary perspective.

The Committee determined that all statements on the report conclude by 12.40 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]


The Committee determined that all statements on the report conclude by 1 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 4 x 5 mins]


The Committee determined that all statements on the report conclude by 1.20 p.m.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 4 x 5 mins]


The Committee determined that all statements on the report conclude by 1.45 p.m.

Speech time limits —
First Member speaking — 10 minutes.
Other Members — 5 minutes each.

[Proposed Members speaking = 1 x 10 mins, 3 x 5 mins]

5 EMPLOYMENT, EDUCATION AND WORKPLACE RELATIONS—STANDING COMMITTEE: Employee share ownership in Australian enterprises.

The Committee determined that all statements on the report conclude 20 minutes after the resumption of private Members business after Question Time.

Speech time limits —
Each Member — 5 minutes.

[Proposed Members speaking = 4 x 5 mins]

PRIVATE MEMBERS BUSINESS

Order of precedence

Notices

Mr Edwards to move:

That this House calls on the Government of Burma to cease infringing the right of Aung San Suu Kyi to conduct her democratic activities with freedom and in safety and further calls on the Burmese Government to involve itself in a substantive political dialogue with her National League for Democracy. (Notice given 4 September 2000.)

Time allotted — remaining private Members business time.

Speech time limits —
Mover of motion — 10 minutes.
First Government Member speaking — 10 minutes.
Other Members — 5 minutes each.

[Proposed Members speaking = 2 x 10 mins, 4 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Corporations and Securities Committee Report

Mr SERCOMBE (Maribyrnong) (5.10 p.m.)—On behalf of the Parliamentary Joint Committee on Corporations and Securities I present the committee’s report on shadow ledgers and the provision of bank statements to customers.

Ordered that the report be printed.

Mr SERCOMBE—by leave—This report arises from allegations made to the chairman of the parliamentary committee about alleged practices of the Commonwealth Bank in its commercial dealings, particularly with rural and regional customers. As a consequence of those allegations the committee undertook an inquiry. The substance of those allegations was that the bank failed to inform rural customers that their debts had been written off,
used a shadow ledger system to improperly claim tax benefits, wrote off loans as bad debts whilst still receiving interest payments to service those debts and refused to issue account statements to customers. As you can see, the bank was living up to its high standards of public relations to have allowed a situation to arise where those allegations were made.

The committee undertook its inquiries and considered the allegations against the Commonwealth Bank in the light of what is regarded as accepted commercial practice, under which it is not usual or even prudent for a corporation to inform its customers of the different types of internal accounting entries which reflect the status of their debts. The committee is cognisant that a number of these entries may be necessary to comply with accounting standards and reporting for tax purposes but where it is not commercially advisable for a corporation to inform a customer that their debt had been written off. The committee understands that commercial organisations in general do not inform customers of internal accounting procedures.

In that respect the first of the referred allegations did not go a great deal further in the committee’s deliberations, but certainly the committee took very strong note of the failure of the bank in this area—the Commonwealth Bank in this case, but it would appear that it may well be general practice for banks not to issue statements to particular types of customers. In its recommendations the committee particularly notes that it was the need to have an inquiry that forced the bank’s hand to review its practices in these areas and that this demonstrated a failure on the bank’s part to adequately deal with customer relations issues. The committee makes a number of recommendations in relation to this issue. The committee concludes that the Commonwealth Bank, by not automatically issuing account statements to some customers who were in default on their loan obligations, exacerbated an already difficult situation for these customers. The committee believes that the Commonwealth Bank’s explanation that it did not provide bank statements to customers because it did not wish to inflame a dispute is poor banking practice. As I said, the Commonwealth Bank is living up to its high standard reputation in these matters.

Evidence presented to the committee also demonstrated that the confusion customers faced about the bank’s practices in respect of shadow ledgers was unreasonable. The committee concluded that the management practices of the Commonwealth Bank in relation to the non-provision of statements, albeit to a small number of customers who had fallen behind with payments, were seriously flawed in terms of best practice customer relations. The committee recognises the commitment by the Commonwealth Bank to provide full statements in default as a step forward. The committee is disappointed, however, that this commitment did not eventuate until the inquiry was initiated. While the committee has investigated the practice of the Commonwealth Bank with regard to the treatment of bad debts and the creation of shadow ledger accounts, it is evident that this practice is not limited to the Commonwealth Bank. The parliamentary committee believes that all financial institutions which do not already do so should adopt the announced intention of the Commonwealth Bank to provide full statements to all its customers. Therefore the committee recommends that the automatic issuing of statements of account in all circumstances short of litigation should be considered for inclusion in the banking code of practice. It is quite an interesting report, and I commend it to members. I seek leave to move:

That the House take note of the report.

Leave granted.

Mr SERCOMBE—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) AMENDMENT BILL (No. 2) 2000

Cognate bill:
TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 2000

Second Reading

Debate resumed from 7 September, on motion by Mr McGauran:

That the bill be now read a second time.

Ms ROXON (Gellibrand) (5.15 p.m.)—I commenced my comments on these two bills on 7 September in our last sittings and indicated that I wanted to speak primarily in my role as the chair of Labor’s government service delivery committee, which has been travelling around Australia. In almost every seat that we have visited we have had raised with us the concerns that regional areas in particular have with regard to service delivery by Telstra. On 7 September I had got to the point of going into some detail about the sorts of problems that have been raised. In particular, during two of our visits to regional Victoria a very large number of issues were raised about the service standards, the access to telecommunications services, the lack of regular services and the loss of jobs in those areas. The two seats that we visited in regional Victoria were Ballarat and Bendigo. We had public meetings at the School of Mines in Ballarat, and talked with the council about the development of a local telecommunications network. The member for Bendigo has raised many concerns about Telstra and the problems with service levels, and has expressed in this parliament no fewer than nine or 10 times since he was elected to this House his growing concerns about the jobs being shed, the lack of vital emergency services, the limitation on the use of pager services and many other issues. This is, I must say, in stark contrast to the actions of the member for Ballarat, who, although he has raised these issues many times, has never failed to vote with the government for the further privatisation of Telstra, and has not been able to stand up in this House and indicate that anything has been delivered to his electorate as promised many times by him in this House.

It is interesting but perhaps not surprising that both these seats—Bendigo and Ballarat—and their broader regions have been chosen to participate in two pilot programs: the regional USO contestability trials. One of the trials will be in this region and will, I think, extend west across the South Australian border. Obviously, given the level of interest in the community when we had our public meetings and talked to people in these areas, there are a number of concerns. It is an appropriate area to choose as a pilot area, because the service delivery being received at the moment is not appropriate. We can understand that, but I do not think it is sufficient for those communities that we just have a trial in this area; we must also ensure that there is a proper evaluation at the end of that trial and that a full review is conducted before any further competitive tendering is undertaken in these areas.

The member for Perth, our shadow spokesperson for telecommunications, has taken on board the views expressed widely amongst the community in developing Labor’s position in this area and the amendments that he will propose during this debate. It is for these reasons that we will specifically propose amendments that call on the government to ensure that no further competitive tendering decisions are made prior to a comprehensive evaluation of the results of the two pilot projects. We urge the government to accept those amendments.

When we went to northern New South Wales and Queensland these same issues were raised with us, particularly in the seat of Paterson. The member for Paterson has worked very hard on the issue of telecommunications. He had an enormous number of signatories to a petition that his office distributed amongst the community about the lack of services and the privatisation of Telstra. He has had raised with him the issues that we will raise in our amendments: the need to ensure that the standards of service will not decline—in fact, that they will improve—and that the universal service obligation will deliver minimum communications services to rural and regional Australia. In the seat of Paterson we met with the community of Raymond Terrace and were made aware of the problems experienced by smaller communities, such as Gloucester, where there are only a few thousand users. Smaller communities often are not regarded
as being big enough for some of the technology upgrades that are required to deliver appropriate services to this area. There are problems on the Pacific Highway with the absence of mobile phone coverage.

In the seat of Oxley, which takes in some of the outer suburbs of Brisbane, we found that it is not just regional areas outside the metropolitan capitals that are suffering some of these problems; some of the fringe suburban areas, like those found in the seat of Oxley, are still having problems with service delivery. We were told that fixing a particular communication problem sometimes takes up to two weeks. We met with a number of very concerned ex-Telstra workers who gave us quite a worrying account of the service problems that they had dealt with while they were still in the employ of Telstra. Those problems have not been dealt with adequately since those jobs were lost and not replaced within Telstra.

We also went to the seat of Richmond. Although we did not specifically call a public meeting on the issue of Telstra, it was one of the issues that it was impossible for us not to discuss almost everywhere we turned. The seat of Richmond is not that far from the seat of the Deputy Speaker, Mr Causley. I am sure he would be aware that a large number of people in his community are very concerned about the level of services that are currently delivered. I did an interview on Lismore radio about the public meeting, and we were absolutely inundated with calls expressing concerns about Telstra. We had public meetings in Tweed Heads, and again people wanted to discuss this issue. The member for Richmond is the Minister for Community Services. I have checked the records and it appears that the minister has spoken on this issue of telecommunications only once in this House, that is, on 2 February 1998. At that time the minister said he wanted to speak about:

... the considerable benefits to the nation, and particularly to the people of the far north coast of New South Wales, which will derive benefit from further privatisation of Telstra.

At that time he asserted that the coalition had fixed many of the area’s telecommunications problems but conceded:

... my constituents naturally still have some concerns which I will address shortly.

And he went on to talk about the introduction of the USO and customer service guarantees. It is interesting that he said this over two years ago, because he has not been in the House to speak about this again. He has not in any way, as far as I can detect on the public record, ‘addressed shortly’ the concerns that are being raised by the constituents. When we visited on 5 May this year, his constituents more than two years later are still waiting for answers from him. This was the issue that we received the most contact and discussion about. It is legitimate for his constituents to be asking: what exactly has the minister been doing on this issue? We find when we check the records that all he has been doing is voting for further privatisation and further deregulation. We have to ask whether this will address the issues that his constituents have raised with him and also with us.

I must note that the areas covered by the member for Page, who is in the chair, and by the member for Longman would also have constituents that raised these concerns. They make up the second area which is going to be covered by a pilot program to test out whether there is a better way to deliver services to this region. I am sure that all members, if they are doing their jobs properly, will be out making sure that their constituents know about this pilot and will no doubt be supporting our amendments to say that the trial must be fully run and evaluated before any further steps are taken, because it may cause some detriment to their constituents if the trial is not undertaken properly and reviewed fully.

We also went to the electorate of Kalgoorlie and had a public meeting on this particular issue. There was a lot of interest in the town of Kalgoorlie, and again it is in contrast with the comments that have been made in this House by the current member for Kalgoorlie who has also spoken on this issue only once in this House—on 24 June 1999 and not since—and he is not even listed to speak in the debate on the issues that are before the House at the moment. At that time he was expressing the views about the bene-
fit to his electorate from the sale of Telstra. He said:

This sale of Telstra will allow an injection of funds to provide state-of-the-art technology and perhaps provide for satellite communications which will not be limited by local weather conditions.

Without this sale, we do not have the funds to provide brand new, cutting edge technology that is so necessary in the remote areas of my electorate.

These perhaps would be noble sentiments from a local member but, sadly, I do have to note for the House that since that time the member for Kalgoorlie has not seen fit to notify either the House or his constituents, as far as I can tell, of any of that funding being delivered to his electorate or of any state-of-the-art technology investments being delivered to his electorate. Again, the community raised with us their ongoing concerns on these issues. If the member for Kalgoorlie has to come in and say that he was wrong, it is probably about time that he did so because no doubt others will be making those comments in the lead-up to the next election. He has asked a number of questions on Telstra, but again this was before he gave his only speech on this issue.

I would like to compare some of these fairly lame contributions made by members opposite with those of some of my colleagues on this side of the House who have persistently raised this issue and have persistently fought for the constituents of their electorates. I gave the example earlier of the member for Bendigo, who was elected at the same time as me—it is actually our second anniversary here today. He has raised this issue no fewer than nine times since he has been here, tirelessly raising the concerns of his electorate. I know the member for Brad- don has also constantly raised this as an issue of concern and obviously so has the member for Perth, who is our spokesperson on this issue.

We have also recently visited the seat of McEwen and had public meetings there, which gave us an opportunity to discuss this issue with a large number of people. The member for McEwen opposite has spoken a number of times on these issues and raised her concerns about the standard of services delivered to regional areas and her hopes and expectations that the changes that were being debated at that time in early 1998 and late 1998, would deliver some of the promises that had been made by the government or at least held out as a hope for the privatisation of Telstra and what they would deliver to these communities. She spoke then of the frustration of mobile phones dropping out and of poor TV reception.

But we do have to ask what her government has done, with her support, to improve the situation for the residents of McEwen because, through our consultations, it seems that not much has changed. In fact, Labor’s candidate for the seat, Andrew MacLeod, has had to launch a black spot campaign where residents are being encouraged to contact Mr MacLeod—through his address at PO Box 285 Diamond Creek or via fax—to identify TV, radio and phone black spots in the electorate. Already identified are some major gaps between St Andrews and Kinglake, Yea and Seymour, Healesville and Eldon, Kilmore and Broadford. A resident of Wallan, only 40 kilometres from the Melbourne CBD, had her house burn down with her pets trapped and dying in the fire because she could not call any emergency services from her mobile phone. So it seems that the member for McEwen has not been able to deliver on her hopes. Perhaps she needs to be working a bit harder to convince the government to accept some of the amendments that Labor is proposing in this debate to ensure that all of the community, no matter where they live, can have equitable access to basic communications services. Basic communications services these days extend well beyond just phone access. In this new age of the telecommunications revolution, basic services also include Internet access and mobile phone access. We have also been to Rockhampton, Longreach, Barcaldine, Aramac and Moranbah. Again, one of the issues raised with us was great concern about access to basic telecommunications services.

I wanted to go through this in detail because it shows the quiet work that the committee has been doing. We have had a lot of
members of the public talk to us and raise their concerns, and often there is some cynicism that those concerns do not get passed on in the process. They have been passed on. Our shadow spokesperson for communications has taken on board many of the issues that have been raised by those communities, which can be happy that they have participated in our policy process and that we have listened to their concerns. I hope that the members opposite, especially those I have mentioned in this debate, will support our amendments and will actually go and start delivering to their electorates on this issue.

Mrs HULL (Riverina) (5.29 p.m.)—The Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 has the potential to revolutionise the current state of regional and rural telecommunications and Internet usage. While I lament that the bill does nothing to directly improve many of the services in my electorate, I feel I must support this bill because I believe the bill may offer a substantial opportunity to bridge the gap between those with access to standard telecommunications and those without. It is my hope that it may be a step towards greater equality between rural and urban Australians. The bill opens up and allows the opportunity for the universal service obligation and the digital data services obligation to include more telecommunications providers. Hopefully this bill will do more than provide rural and regional people access to standard telephone services, payphones and prescribed carriage services. Perhaps the bill will go towards offering rural and regional consumers a choice.

My cautious support for the benefits of this bill is subject to the successful completion of the pilot programs. However, it is vital that this bill is passed before these programs can commence and be successful. Anyone who knows me would be clearly aware that I am not a proponent of national competition policy. However, rural Australians deserve better than they currently enjoy in telecommunications. It is for this reason that I reservedly support this amendment. The Riverina Regional Development Board said in its submission to the drafting of the national competition policy:

Deregulation of the telecommunications industry and the partial sale of Telstra has provided the impetus for significant changes. By design this has led to increased competition in service provision in major populated areas but has led to little or no change in rural and remote areas.

Through the opening of the universal service obligation to other companies, it is my sincere hope that rural people will be able to receive the advantages offered to urban Australians at this time. Telstra are demonstrating a lack of incentive to improve services and telecommunications access. At present I do not believe Telstra feel any pressure to provide a top quality telecommunications service to my constituents in the Riverina. As statistics from the National Farmers Federation have shown, the rectification of faults in rural areas has only marginally improved over the last 12 months and customers have a one in four chance of not having their services repaired within the customer service guarantee time frame.

In my electorate of the Riverina I am inundated with complaints over all aspects of telecommunications. Telstra’s delivery of the universal service obligation has not improved the problem and somehow may have led to a negative impact on rural communications. Response time to faults is slow. Regional Australia has already suffered employment losses from the closure or reduced sizes of Telstra’s depots and Telstra has shown less commitment to the provision of adequate services—in particular, mobile phone coverage and Internet access. While the recent Australian Communications Authority reported a steady improvement in Telstra’s service, little improvement has been seen or witnessed in my electorate.

One example which highlights the need for dramatic improvements in the delivery of service comes from my electorate, where a small central school is unable to secure regular Internet access. While Telstra have a contract to place all schools on an ISDN line, they failed to include the school in the installation. The school has experienced tremendous difficulty in having this problem rectified. In the last three weeks prior to
them contacting me, students at this school have made 56 attempts to gain access to educational material on the Internet with only 19 attempts being successful. Such a poor connection impacts poorly on senior students studying for the HSC. These students rely on the Internet to complete assessment tasks. Through poor telecommunications we are not only allowing inequities to exist between country and city telephone users but also disadvantaging the education of our rural children. As the students themselves wrote, ‘We know that we are a small school but we are still important.’ And yes, indeed, they are important. They are very important to me and they are very important to the future of the Riverina no matter how small their central school is.

This new bill should allow in the long term improvements in the digital data service obligation area and thus allow students fairer access to education no matter what their location may be. I believe it is important that Telstra, as the current USO provider, is made to stand by its policy statement and marketing plan. I will be vigilant in ensuring that its standard telephone service in regional, rural and remote areas, as approved by the Minister for Communications, Information Technology and the Arts, is realised. I will ensure that Telstra aims to repair unworkable first standard telephone services within one full day after the fault has been reported in areas of a population of 10,000 or more, as it states in the approved agreement with the minister for communications, and in rural areas within two full working days after being notified of a fault. I will attempt to ensure that Telstra lives up to its $285 million promise to provide customers with higher quality service and increased capacity for high speed data and ISDN services to support applications including facsimile and Internet access, even though it appears to date that it has already let down one central school in my electorate—and maybe there are others and maybe they have not contacted me.

Telstra should live up to their claim that their remote Australia telecommunications enhancement programs will give Australia one of the best remote communications systems in the world. However, I feel we are far from having one of the best in the world when my office receives complaints of the most outrageous nature. We will have one of the best communication systems in the world only when my constituent in Junee no longer has to wait three weeks, make 15 phone calls and visit Telstra twice just to tell them where to dig the trench for a new line.

Mr Tim Fischer—How many?

Mrs HULL—Member for Farrer, my constituent had to make 15 phone calls and visit Telstra twice just to tell them where to dig the trench for a new line.

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—I remind the member for Farrer that he is out of his position.

Mrs HULL—We will have the best communications system in the world only when another of my constituents no longer has to wait 10 weeks for Telstra to upgrade her street cable so that the phone can be connected. We will have the best communications system in the world only when I have resolved the issues of a constituent in Griffith who writes:

I write to you, out of growing frustration with the inability of Telstra to provide cabling in our area. As you are aware, Griffith is a rapidly growing Regional City and the demand for the new services is high. During the last five years we have noted an appalling slide in the ability of Telstra to provide cabling for new developments and new premises. The local line depot has seen staff and services slashed even though the demands are constantly increasing for cabling. We consider this to be a damning indicator of Telstra’s commitment to regional Australia.

My constituent further writes:

Telstra has informed me that there are no current phone services, despite being in a zoned industrial area. It is worthy to note that we are located within 300m of the Griffith Telstra line depot and less than 1 km from the Griffith exchange.

When we protested Telstra offered us one line and no guarantee when the other 5 (including lines for fax e-mail etc) would be forth coming. This puts us in a worse situation in comparison to what we are currently dealing with.

The lack of communication lines will place a severe strain on our viability and would make it
difficult if not impossible to operate in our new premises.

To their credit, on my contacting them Telstra have gone to an enormous amount of trouble to help rectify my constituent’s problem. However, the fact is that this should never have been a problem in the first place.

We will have the best communications system in the world only when the problem of decent communications in my electorate no longer impacts on the delivery of rural health initiatives. If telecommunications are ever going to be improved, we need a distance neutral pricing policy for rural and regional people in the areas of health and education. Rural and regional Australia need pricing to acknowledge the necessity of their high volume usage because of the tyranny of distance to access. Rural and regional Australia need a roll-out of cheaper alternatives—to the bush first and foremost; they do not need it rolled out in urban Sydney, Melbourne and other major cities prior to it being rolled out in rural and regional areas.

Regional and rural Australians are suffering from an inequitable pricing policy on distance based ISDN. For example, hourly ISDN charges at 384 kilobytes are under $20 in Sydney, whilst between Wagga Wagga and Griffith they are paying $110 per hour to have the same service delivered. Between Wagga Wagga and Junee, a distance of 30 kilometres or perhaps less, it is around $55 per hour. Imagine what reaction you would get if ISDN charges between Chatswood and St Leonards were $55 per hour. I hesitate to guess at the type of uproar it would create if that were the case.

I do not believe for a second that the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 can solve all of the problems that my constituents are currently going through, but I do believe it is a start. The current delivery of the universal service obligation by Telstra has not improved services in rural Australia. With this bill, I hope the rural communications market will attract telecommunication companies that will decidedly deliver the entitlements that rural and regional Australians deserve and should have.

Mr STEPHEN SMITH (Perth) (5.41 p.m.)—The opposition’s position on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 is reflected by the amendment to the motion for the second reading, which has been circulated in my name, and before I conclude my remarks I will go through the detail of that amendment. That bill and its cognate bill, the Telecommunications (Universal Service Levy) Amendment Bill 2000, introduce competitive tendering into the universal service obligation. The Labor Party in government introduced competition into the telecommunications market generally and, as a consequence, we are happy to explore competitive tendering of the universal service obligation on a local, regional or niche basis. We are happy to do that in a careful and thoughtful way provided Telstra remains in the relevant marketplace as the safety net provider of last resort.

The mistake that the government has made in respect of this particular public policy issue and the legislation has been to try to trump up the notion that competitive tendering of the universal service obligation is the be-all and end-all of all the service difficulties in rural and regional Australia. In addition to trumping up the suggested public policy solution as the be-all and end-all of those service delivery difficulties, the legislation is drawn too widely, provides too much ministerial discretion and enables the government of the day to go much further than the pilot projects that are envisaged prior to an evaluation of the outcome of those results. These follow upon a fundamental mistake which the government made in the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000, which we dealt with earlier this year. That sets some of the platform for the introduction of competitive tendering of the universal service obligation but also expressly provides for the $150 million for the competitive tendering of the extension of the local call zones in remote areas or the extended outer area.

The fundamental mistake which the government has made in that respect is that, whilst it has required and will require
through this legislation Telstra to remain in the marketplace for the pilot project areas for the competitive tendering of the universal service obligation, it is not requiring Telstra to remain in the marketplace as the provider of last resort for the $150 million outer extended zone. In other words, the winner of the $150 million tender for the extension of local calls to the outer extended zone automatically becomes the universal service obligation provider for that area, and the contrast could not be starker. On this map, the remote area or the outer extended area is shown by the black on the landmass. That is the area that Telstra would have the option of removing itself from commercially. The black areas on this other map are the two pilot project areas. The government has never fully or properly explained to the parliament or the community why it has such a qualitative public policy difference between requiring Telstra to remain in the marketplace as a provider of last resort for the universal service obligation competitive tendering pilot project areas and opening up the possibility of Telstra removing itself from 80 per cent of the Australian landmass if Telstra is not the winner of the $150 million tender for the extension of local call zones to the outer areas.

The philosophical basis of the universal service obligation is of course the equitable provision of a universal service, and Telstra is the current designated national universal service obligation provider. With the passage of the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000 through this House and the Senate, members may recall that here and in the Senate the opposition moved to require Telstra to remain in the marketplace as a provider of last resort for the universal service obligation competitive tendering pilot project areas and opening up the possibility of Telstra removing itself from 80 per cent of the Australian landmass if Telstra is not the winner of the $150 million tender for the extension of local call zones to the outer areas.

In this bill, the government envisages two pilot projects, which, according to the public statements of the Minister for Communications, Information Technology and the Arts, are envisaged to operate for a number of years, and Telstra is required to remain in the marketplace as a provider of last resort. The legislation also provides for the universal service obligation to be extended from carriers to ISPs. The opposition has no difficulty with that extension to carriage service providers as well as to carriers. The government’s approach to some of these matters is well found in a memo dated 2 August from a senior Telstra officer providing advice to the CEO of Telstra, Dr Switkowski, and others. In the course of that memo, in respect of competitive tendering of the USO, the senior Telstra officer referred to:

... the increasing evidence that the Government feels it needs to shoe-horn competitors into rural Australia within a timeframe that is sequenced with the lead up to the next election.

The memo goes on to say:

USO legislative package No. 2, which sets up a highly flexible framework for introducing portable subsidies and USO contestability in a range of areas (not necessarily the 2 limited trials originally contemplated).

Those two points go to the heart of the opposition’s concern in respect of one aspect of these bills: that is, the legislation is drawn much too widely and does not require a comprehensive evaluation of the results of the two pilot project areas prior to contestability being extended into other areas. It makes very clearly the point that, whilst this is an area that should be dealt with in an orderly and sensible manner, there is no doubt that the government is seeking to use this to trump up an argument that this will be the solution to service difficulties that telecommunications customers in rural, regional and remote Australia have experienced since the partial privatisation of Telstra.

Some of the details of this bill—some of which build on the No. 1 amendment bill—which the opposition either support or do not oppose go to the setting of the cost of the universal service obligation in advance. That
is a sensible proposition which is not objected to by the opposition. But we make the point that, in the course of setting or fixing the cost of the universal service obligation in advance—a point that we made in respect of the No. 1 bill—too much discretion is given to the minister and not enough of a requirement is there to act on the advice of the Australian Communications Authority, the relevant regulator in this area. The $150 million competitive tender for the extension of the local call zones to the outer extended area is not opposed per se. What is objected to strongly is the qualitative difference between the requirement of this legislation and the tender which would see Telstra commercially remove itself from that area—that is, 80 per cent of the Australian landmass. That point is made in the memo that I referred to earlier. The officer said:

i) The fact is that investment in the CAN—customer access network—and in uneconomic services in rural Australia cannot be assumed. The new USO arrangements have increased the capital risk of investment in USO areas and Telstra needs to explore ways of reducing this risk.

ii) Assisted competitor entry ... obligations are not competitively neutral.

This makes the point—and it makes the point earlier in this memo that I have referred to—that Telstra will proceed to make commercial decisions if it is not required to be operating in the marketplace as a national universal service obligation provider.

Our amendment to the motion for the second reading details our key areas of concern, but I indicate to the House that, in the Senate, we propose to move detailed amendments which reflect the general concerns expressed by the second reading amendment but which draw upon the concerns expressed in the Labor senators' minority report on this legislation. The areas highlighted by the second reading amendment include the point I made earlier about the $150 million tender, a requirement for comprehensive evaluation of the pilot projects before the parliament moves to further consideration of competitive tendering of the USO, and a requirement that Telstra be required to be the public universal service obligation provider without that being able to be undermined without express parliamentary agreement.

The Labor senators’ minority report on this bill was tabled in the other place in August this year. I quickly indicate some of the main recommendations of that report which reflect the opposition’s position. The report reads:

... Labor Senators support the trial and proper evaluation of USO contestability on a local, regional or niche basis.

They were making the point that the opposition is only too happy to contemplate the universal service obligation competitive tendering, but subject to trial and proper evaluation. The Labor senators went on to make the point that the No. 2 bill should be amended to:

provide for a public and independent review of the two trials and subsequent report to Parliament, that review to take place before further Universal Service Obligation contestability decisions are considered ...

Amendments will be moved in the other place to reflect that view. A further recommendation from the Labor senators’ minority report was that this bill be amended to retain Telstra as the national universal service provider and to remove the provisions allowing a carrier other than Telstra to become a universal service provider, making the point that the parliament of the day, not the government of the day, should make that fundamental threshold decision. Labor senators also made the point, as I have, regarding the $150 million tender for the extension of local calls to the outer zones, that Telstra ought to continue as the universal service obligation provider for that 80 per cent of the Australian landmass and, as I have indicated, Labor will move accordingly in the Senate. A range of other detailed amendments are made in the course of the Labor senators’ minority report which we will pursue in detail in the Senate.

Before the parliament rose prior to the Olympics, the government circulated a range of amendments which, at first inspection, either are technical or seek to bring the No. 2 bill into line with changes made in the Senate to the No. 1 bill. Whilst we reserve our
rights, our first assessment is that none of those amendments cause any great difficulty. I indicated that an amendment to the motion for the second reading had been circulated in my name and I now move:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House, recognising the fundamental importance of high quality and reliable telecommunications services to all Australians now and in the future:

(1) condemns the Government for its continuing push towards the full privatisation of Telstra which will inevitably lead to a decline in services to rural and regional Australia;

(2) recognises the importance of the Universal Service Obligation to the delivery of minimum communications services to rural and regional Australia;

(3) notes that while the Government is holding up competitive tendering as the solution to rural and regional service delivery difficulties and as a justification of the full privatisation of Telstra;

(a) its plan is limited to two pilot projects the results of which will not be known for a number of years; and

(b) its decision to require Telstra to remain as a safety net provider of last resort in the areas to be covered by the pilot projects acknowledges the unique role of Telstra in the delivery of services to rural and regional Australia and the folly of pursuing full privatisation;

(4) calls on the Government to ensure that no further competitive tendering decisions are made prior to a comprehensive evaluation of the results of the two pilot projects;

(5) notes with concern that Telstra will be excluded as the Primary Universal Service Provider and will only provide service on a ‘commercial’ basis to 80 percent of Australia if it is unsuccessful in its bid for the Government’s $150 million tender for untimed local call access in remote areas; and

(6) calls on the Government to ensure that the $150 million tender proceeds on the same basis as the two pilot projects, namely with Telstra as the provider of last resort; and

(7) notes the wide Ministerial discretion given with respect of the calculation of the cost of the Universal Service Obligation, and the need for this to be on the basis of Australian Communications Authority advice”.

Our second reading amendment indicates to the House our key areas of concern with the government’s legislation. I have indicated those areas where it is proposed that we would move detailed amendments in the Senate. I conclude my remarks by making the point that you have a qualitative difference of approach between the $150 million tender for the extension of local call zones to the remote areas, or to the outer extended zone—that if Telstra is not the successful recipient of that tender it can be in a position to make a commercial decision as to whether to remove itself from 80 per cent of the Australian landmass—contrasted with the requirement by the government that Telstra remain in the marketplace for the two pilot project areas as a safety net provider of last resort whilst the pilot projects are under way and, presumably, some evaluation of those projects is made. There is a qualitative difference in approach, which has never been fully or properly explained by the government, which would leave prospectively 80 per cent of the Australian landmass at risk of not being serviced in any way by Telstra on the basis of Telstra making a commercial decision to remove itself from those remote, rural and regional areas.

Mr DEPUTY SPEAKER (Mr Mossfield)—Is the amendment seconded?

Ms Kernot—I second the amendment and reserve my right to speak.

Mr ANDREN (Calare) (5.59 p.m.)—The No. 1 bill in this sequence was introduced in May this year, enabling the minister to determine universal service providers’ net universal service costs for up to three years in advance and to detail the universal service regime that would apply after the awarding of the tender to extend untimed local calls in remote Australia. That bill drew concerns from non-government quarters about the extent of ministerial discretion and compulsory
information requirements placed on unsuccessful universal service providers. Amendments were made in the Senate and the government is moving relevant amendments to this Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 to ensure that it remains consistent with the No. 1 bill with regard to those issues.

It is one thing to legislate a universal service obligation; it is another to ensure its conditions are met. In those remote areas where the cost of delivery of modern telecommunications is not attractive to any player in the marketplace, subsidies will need to be delivered indefinitely by the government, whoever wins that subsidised tender. In that regard the Australian telecommunications market is not, as the minister would have it, a competitive market. It is competitive only in those areas of the market where there is critical subscriber mass, where there is a buck to be made. One does not need to get too remote to find areas that are not attractive to the players in today’s telecommunications market, and that includes Telstra. I have had enough cases in the electorate of Calare to suggest that anything beyond 30 kilometres outside a major regional centre is remote for telecommunications providers and consumers. In fact, the member for Riverina a few minutes back suggested 300 metres from Wagga Wagga telephone exchange is remote for some of her constituents.

What is the sense of selling off Telstra to obtain the funds to subsidise players in a so-called competitive market to provide services that can be funded only by selling off that silverware? Pray, what do we do to fund that subsidy when Telstra is sold off? Do we use normal revenue from some other source, presumably taxation? We sell off a $1 billion or $2 billion revenue stream that can do the job and subsidise privates, including a private Telstra, to do the job under the sort of universal service areas determined by this legislation. Private shareholders reap the benefits then, while their supposedly free market companies soak up public subsidies to provide essential services. So much for the marketplace delivering services through competition!

The Australian people, especially in the bush, will not fall for that one. The private shareholders and the private operators in the market would be licking their lips at the prospect of picking up a generous government subsidy to do a job that we could and should be doing ourselves, because as sure as night follows day those service standards to non-profitable parts of the network will deteriorate. Ten or 20 years down the track there may very well be no tenders for the inevitable new technology that needs to be installed. What happens then? Perhaps then the government of the day will need to set up a new government telco to do the job. Why, ask most Australians not obsessed with short-term share gains aided by obscenely generous capital gains tax arrangements, do we not hold on to the only guarantee of universal service, the only long-term guarantee of a level playing field of equal city-country telecommunications into the distant future—and that is to retain ownership?

Indeed, the bill’s explanatory memorandum says any repeal of the USO legislation and a total reliance on the market forces are not a realistic option. The memorandum says:

... there is general acceptance that the provision of universal service in telecommunications needs to be underpinned by a regulatory framework that provides for the provision and subsidisation of loss-making services.

That is self-evident. Under the regime proposed in this bill, the net universal service cost—that is, the cost incurred by Telstra in fulfilling its USO—will be replaced in proposed section 16 by a universal service subsidy. Each universal service area will have a subsidy determined by the minister and payable only to those PUSPs, primary universal service providers, or CUSPs, competing universal service providers, who have taken all reasonable steps to fulfil their service obligations. Given the unattractiveness of the USO and the risk of default, even under a regulatory regime, why not ensure a consistent provision of that obligation through the existing carrier? After all, a monopoly on unprofitable services is no real monopoly at all; it is a community service responsibility that rightly belongs with the government of
the day and not the market. We have such a discrepancy between what Telstra regards as the cost of the USO, $1.8 billion, and what the other major carriers cost it at, about $200 million, that the public outside major urban and regional centres have every reason to be vehemently opposed to any sacrifice of the means of ensuring the USO is delivered to all—that is, the retention in public ownership of the controlling interest in Telstra.

As the Bills Digest suggests, there is a strong possibility that competition will actually increase the cost of the USO and therefore ultimately the cost of services to consumers. So much for the competitive market driving down cost for the consumer. So much too for the competitive market driving down costs of phone services. We have seen in recent days increases in Telstra call rates which have been described by, among others, the central Macquarie business group in Dubbo as disgraceful. The increase from 9.9c to 12c a minute for 50-kilometre to 85-kilometre calls will especially hurt rural and regional areas, and these concerns have been well documented by various groups, including the New South Wales Farmers Association. All this was done before the results of Telstra’s own call zone inquiry were known.

New South Wales Farmers chief executive, Jon McKeown, says increases in STD call charges fly in the face of commitments by the head of Telstra Countrywide, Doug Campbell, to improve telecommunications services for rural people. As he says, the price hikes will hit rural people who do not have access to their local business centres at local call rates, unlike the millions in Sydney who can call untimed from, say, Cronulla to Asquith and beyond for business or personal purposes.

On top of this Telstra now plans to rationalise its call centres, with one in danger of shutdown being the one in Bathurst described just 18 months ago as the most productive in the country, its workers the best in Telstra’s employ. This centre can be given no guarantee by Mr Campbell—in a letter to me last week—that it will survive. Bathurst call centre will go not for any economic reasons or for any lack of quality amongst its staff, given awards a little over 12 months ago for their input into that organisation’s profitability; it will go because of interference by the government to make sure Telstra’s so-called megacentres are located in areas that will derive maximum political advantage. How could Bega or Cooma in the marginal seat of Eden-Monaro better meet the work force requirements of Telstra than Bathurst and its established staff and their families? Yet that is a likely scenario: uprooting families, rationalising staff and concentrating numbers where the government dictates. So much for market driven solutions.

I will return to the specifics of the bill. Optus is one operator to openly doubt the viability of the proposed competitive framework, going so far as to tell the Senate committee:

... no carrier will tender in contestable areas because the contestable model does not encourage competition, and the total USO cost will increase as contestability is introduced.

I believe that the model for competitive delivery of the universal service obligation is flawed, and even Telstra’s competitors in the marketplace agree. I notice that the minister’s representative in the House recently trumpeted the improvements in Telstra’s customer service guarantee with the release of the ACA report on Telstra’s performance between June 1999 and June 2000. In major rural areas, he says, the report indicates a 27 per cent improved performance so that 83 per cent of cases are meeting the CSG. He says that this proves that legislative powers are far more important than ownership. I suggest it is largely because of that ownership and the ability of MPs to represent those owners, the public, that Telstra has improved its customer service guarantee performance—if that is, indeed, what has occurred.

But if you looked behind those figures the story might be quite different. I contend—and I said this to the recent Besley inquiry—that to properly gauge what is happening with Telstra’s service levels in regional areas like Calare not only Mr Besley’s committee but also the Australian Communications Authority should obtain for each relevant service area Telstra’s internal yearly records for such measurements as the amount of cable laid above ground for each area, the
faults per hundred services per annum, man hours required per new service connection, man hours required to fix each reported fault, spending on maintenance per annum, spending on staff and apprenticeships per annum, and average industry experience of technicians. Only these figures—not performance against customer service guarantee—give a true picture of Telstra’s performance. We heard the member for Riverina not so long ago detailing some of that lack of performance.

It cannot be denied that recent entrants into the Australian telecommunications sector have cherry-picked the market, providing services in profitable areas but ignoring areas where it is simply uneconomic to operate. They may have met their original licence conditions in servicing the majority of the market, but this certainly is nowhere near the majority of the geography—and therein lies the problem with the competitive market model as it applies to telecommunications delivery across Australia.

There is justifiable excitement in many regional areas, such as Orange and Bathurst, about the potential for private telco operations to provide upgraded services. In my own electorate, the Orantel organisation, with strong corporate backing, is investigating the feasibility of a localised telecommunications system to service the major population centres. But, whereas the major population centres will benefit if there is indeed sufficient critical customer mass to make the thing profitable, it has no relevance to people living outside the regional centres. They will not benefit. They may as well be as remote as Coolabah or the black stump. They simply do not figure on the corporate radar.

Glib assurances that any successful bidder for the USO would be required to provide better services than those currently offered are no guarantee that those services will actually be delivered. Indeed, those bidding for the USO will be required to provide a basic telephone service, fax and 64-bit Internet access. The most creative bid will probably win the job—and the $150 million subsidy that goes with it. But what happens down the track? What guarantees are there that the next generation of telecommunications advances can ever be guaranteed to the non-profitable parts of the market?

It is interesting to quote from the infamous Telstra internal memo, issued at the completion of the Besley inquiry, to get a flavour of the real commitment to rural and regional Australia from the only still publicly owned telco. Telstra expects, according to that memo, that Mr Besley will report—and I understand that report is now with the government—that:

... our customers have soaring expectations, not just in terms of service levels, but also in relation to mobile coverage, internet access and advanced services.

Today’s advanced services are tomorrow’s basic services. In the memo the author, Deena Shiff, states:

There remains a risk that some additional measure of service achievement needs to be flagged, that enables a sale to be triggered.

In other words, despite the obvious shortfall in service delivery with something like 15,000 jobs backlogged in central and southern New South Wales a few months ago according to my sources, Telstra is admitting its nervousness at the probable requirement that it will be required to promote its service achievements beyond the reality in order to meet the political imperatives of the government, no doubt, in the lead-up to the next election. Just wait for the propaganda blitz; it has already begun. But country people know that they need more than Countrywide. They need not more chiefs but Indians on the ground to get the job done—to build the infrastructure, to provide that data line on reasonable demand.

In my electorate there are many areas requiring significant upgrading before new services can be put on. I would argue, despite the TV ads depicting upgrades in my area, that a matter of years, not months, are needed to get the network up to that standard. I will not be satisfied—nor should any members in rural areas, or anywhere else for that matter, be satisfied—that things are improving, until the service guarantee is met consistently in all areas of the electorate. I would cite the example of the business in Oberon—not a remote area by any means—which in early September was still waiting...
for a fax line ordered in April, or another customer east of Bathurst who ordered a basic phone line in March.

It is interesting to note the comments in the Telstra internal memo to senior executives about this bill. Miss Shiff, who wrote it, says that she believes the USO contestability in the proposed legislation establishes terms of entry which are ‘potentially competitively balanced against Telstra’. The memo goes on:

The incoming Universal Service Provider may be required to provide a lesser range of services to Telstra, and can choose its customers. Telstra must service all, with, in all probability, a reduced USO contribution.

The memo continues:

The implications of this are worrying, if the Besley Report picks up these themes and dedicates future Networking the Nation type funds for assisting non-Telstra entry into rural Australia.

This very informative memo outlines how the complaints or expectations of telephone subscribers in the bush are investment driven. That has been my argument and that of other rural Australians all along. I have highlighted all that in the hundreds of cases I have documented, cases which most other rural representatives in this chamber have deliberately ignored or cases in which they have chosen to accept the ‘political sell at whatever cost’ philosophy of their masters. Those facts have been out there in all electorates. Telstra admits in the memo:

Facilitating service based competitive entry ... via demand aggregation schemes or for that matter portable subsidies ... does nothing to solve the problem.

Telstra says that the sort of strategy inherent in this bill does nothing to solve the problem. It also suggests a lobbying tactic to reinforce the view that setting community service guarantees is not a political winner. It certainly is not. A CSG payment of $12 a day for individuals or $20 a day for business is certainly no compensation when you depend on the phone. Telstra admits in the memo:

Investment in uneconomic services in Australia cannot be assumed.

That is an honest admission indeed and exactly the point I and others who care have been making about the impossibility of the market delivering those sorts of services to rural and remote areas of Australia on any other basis than by continuing public subsidy. We should not flog off Telstra, which would then join those other private operators who will continue correctly to argue that provision of USO services to the remote and not so remote areas is uneconomic. In the cynical final paragraph to the memo, Telstra management suggests:

We need to offer up some additional services safeguards which are politically saleable.

As the Sydney Morning Herald reported it, ‘Telstra’s secret plan: a little bit of service for a lot of privatisation’. The Telstra memo says:

Regrettably although Besley is committed to market-based solutions, the rural constituencies are not.

People in rural and remote Australia are not committed for one simple reason: they know Telstra admits in this document that the market will not deliver services where it is uneconomic to do so. The problem is that a subsidised market is not a free market and it will take a heavily subsidised market to deliver the USO to rural and regional Australia. The USO can be funded into the distant future only by retaining ownership in public hands and deriving the extra revenue stream benefits to the Australian people that Telstra will generate. The Bills Digest argues:

The difficulty of determining the net effect of competition on the cost of providing the USO provides strong justification for limiting the introduction of contestability to two trial areas.

While they are trials, the bill sets up the framework for the contestable regime to be expanded to other areas without further consideration of the trials by parliament. It is a rather complex piece of legislation, but basically it is attempting to force the market to provide a solution to telecommunications service problems in areas that the market itself has deemed uneconomic. The risk is that the imposition of such an artificial economy will actually produce the very inefficiencies the market based solutions are meant to reduce.

There are some other problems in the bill as well, and several are picked up by the opposition’s second reading amendment. Inter-
net service providers are also objecting to provisions that will likely make them liable for paying the USO levy when in fact they are already paying for access to the carriers. I am pleased to see some tightening of ministerial accountability in some of the government’s amendments, but I have grave doubts that the purposes of this bill are achievable for the reasons I have outlined, and I believe it is more about setting up the veneer of service guarantee in a pre-election climate than it is about truly looking after the needs of rural telephone subscribers. (Time expired)

Mr MURPHY (Lowe) (6.19 p.m.)—I rise this evening to make my contribution to the debate on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 and the Telecommunications (Universal Service Levy) Amendment Bill 2000. I congratulate the member for Calare for his very erudite presentation to the parliament just a moment ago, because he touched on many of the issues that are dear to my heart and indeed to the hearts of those who sit on this side of the chamber. The basic purpose of the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 is to improve the operation of the universal service regime and the associated funding arrangements and to enable the competitive selection of universal service providers. The Telecommunications (Universal Service Levy) Amendment Bill 2000 relates to the funding of the former legislation and amends the Telecommunications (Universal Service Levy) Act 1997. The universal service obligation, USO, exists to ensure that all Australians, regardless of where they live or manage their businesses, have equitable access to telephone services, payphones and prescribed carriage services. A digital data service obligation, DDSO, also exists to guarantee that all Australians have high speed access to the Internet via a digital data service with data delivery capacity of 64 kilobytes per second. At present, Telstra has exclusive responsibility for fulfilling the USO and the DDSO.

I particularly want to discuss the USO contestability trials, trials that consider the introduction of competition in the provision of the USO on a local, regional or niche basis. I generally support the introduction of competition and also the idea that industry costs may be reduced, but I do have a number of concerns. I am very concerned that at some future time the government might use these trials to justify the sale of the remainder of Telstra. We all know that the government is hell-bent on privatising Telstra. Something that Senator Alston said in the lead-up to the Olympic Games also comes to mind. He said that it would be criminally negligent if ministers like him did not accept hospitality from Telstra and the like at the Sydney 2000 Olympic Games. Going through my mind when I was preparing for this speech was what hospitality he and other members of the government may have accepted from Telstra to go to the Olympic Games. One wonders whether they accepted 100 per cent hospitality or whether they just accepted 49 per cent hospitality with a 51 per cent hospitality add-on to come with the full sale of Telstra. It would be very interesting to know which representatives of the government and Telstra were in the Telstra hospitality box during the Olympic Games at the Sydney stadium.

For months and months in the lead-up to the Olympic Games, we had to endure the government’s criticism of the administration of the Olympic Games. Day in and day out, in this House and in the media, Bob Carr was bagged, Michael Knight was bagged, the New South Wales government was bagged and SOCOG was bagged, yet members of the government were very quick to embrace the bosom of Olympic hospitality and to be seen at the Olympic Games—and no doubt some government representatives were in the Telstra box.

I see the Minister for Finance and Administration at the table and I am aware that he would have accepted taxpayer funded hospitality at the Olympic Games. I have no criticism of that, because the member for Macarthur is also a former Premier of New South Wales, and he made a very great contribution to Sydney securing the Olympic Games. I hope he was not in the Telstra box because, as a member of cabinet, he will have a very critical role if the government do
decide to fully privatise Telstra. It would be very interesting to know the members—particularly those who sit on the front bench—who were there accepting the hospitality of Telstra when the government are obviously going to fully privatise Telstra at the first opportunity.

Under this legislation, the Minister for Communications, Information Technology and the Arts may determine that a service obligation in a universal service area is a contestable service obligation. This means that a carrier or a carriage service provider can apply to the Australian Communications Authority, ACA, for approval as a competing universal service provider, or CUSP. The ACA is allowed to approve the applicant as a CUSP only if it is satisfied that the applicant is appropriate—having (1) relevant technical competence and experience; (2) commercial competence and financial standing; and (3) an approved policy statement and marketing plans. The CUSP is able to provide an alternative telecommunications services marketing plan, which must satisfy the ACA that it fulfils the relevant service obligation. Under this legislation, if a CUSP intends to cease performing the contestable service obligation, the ACA may instruct it to comply with further requirements. This may mean the CUSP has to extend the service until the appointment of a new CUSP or until the transition of customers to the primary universal service provider, PUSP, is complete.

I am supportive of the USO trials in that they are about considering ways to provide better services. I therefore call for an independent public review of the two trials and a subsequent report to parliament before any further USO contestability decisions are made. I note the government’s approach on this issue has been more about pushing through this legislation to allow tender arrangements for providing untimed local calls in the outer extended zones. If Telstra loses that tender, under the legislation it may not be required to continue as the carrier of last resort, or the PUSP. Instead, it will be able to make a commercial decision whether it will continue to serve 80 per cent of the landmass. This will be a cause for concern if Telstra fails to win the proposed $150 million tender for the provision of local calls in remote areas.

I believe it is integral to the public interest to ensure that Telstra is kept as the PUSP for the whole of Australia, particularly in the 80 per cent of the Australian landmass which falls in the extended outer zones, and that the provisions in this legislation which permit another carrier to become the PUSP are removed. My main concern—a concern shared by many of my constituents in Lowe—is that the government will use the two trials as a justification to fully privatise Telstra. I have no doubt that it will. I was elected on a platform to oppose the further privatisation of Telstra, and I strongly support the second reading amendment moved by my colleague the shadow minister for communications, Stephen Smith.

There are a number of reasons that Telstra must remain in public hands, including—first and foremost—the fact that the ownership of telecommunications infrastructure is a public good, particularly because of the massive distances between population centres, which make telecommunications so important to Australia’s social fabric. The Australian share market is too small to effectively support a one-off share float of 51 per cent of Telstra, meaning undesirable long-term consequences for the Australian economy if such a large float occurred in one hit. Telstra provides considerable revenue to the government. It is in the public interest for the government to hold on to a company that provides our nation with significant dividends. If it were to sell the remaining 51 per cent of Telstra, it might cause a deficit in future Commonwealth budgets. Further to this, telecommunications is a major growth industry in our economy. We should maintain our current interest in Telstra for the economic good of the country.

Majority government ownership means that Telstra will not fall into the hands of foreign interests. If Telstra is sold, future Australian governments may be put under pressure to abolish restrictions on foreign ownership as part of trade liberalisation. The government has the ability to supply rural and regional Australia with better infrastructure without privatising the remaining
51 per cent of Telstra. This can be done by allocating the annual dividends paid by Telstra to invest in Telstra’s regional infrastructure. USO levies paid by private carriers, such as Optus, may also be diverted to regional infrastructure investment where it would not otherwise be a commercial proposition to undertake such investments. Finally, if Telstra is to remain in public hands, it will continue to facilitate the cross-subsidisation of services which are important to our society. In other words, services which are socially desirable may be profitable and Telstra, if fully privatised, could dispense with these nonprofit services.

This is another example of the utilitarian approach of the Howard government. I have raised this in relation to many issues that have come before the House. While the government continues to hold 51 per cent of Telstra, cross-subsidisation will continue to take place and this is in the public interest. Put simply, the majority public ownership of Telstra gives the government a more effective capacity to implement public interest policies than if it were a fully private telecommunications carrier. If Telstra is to remain in public hands until 2007, it is expected that Telstra will pay the government dividends of around $1 billion a year. What is wrong with that? One billion dollars is a lot of lolly.

Sitting suspended from 6.30 p.m. to 8.00 p.m.

Mr MURPHY—Prior to being politely interrupted for the dinner adjournment I was talking about the importance of keeping that 51 per cent of Telstra in public hands and expressing my concern on behalf of my constituents in Lowe about the government’s desire to fully privatisate Telstra. I was talking about the potential dividends—in the order of $1 billion—which would be derived to the long-suffering taxpayer over the next seven years were the 51 per cent of Telstra to remain owned by us the taxpayers. It is also important in this debate to remember that the initial one-third sale of Telstra was a disaster. The government gave it away for approximately half of its true value, with a consequent loss of about $14 billion. I have spoken before in this House about this disgraceful plundering of the public interest.

What guarantees will the government give the Australian people that further privatisation will not further devalue Telstra? This is yet another argument for why we should not sell the remaining 51 per cent of Telstra. The government will not give Australians any guarantees. There will be no guarantees to those rural and regional people who are isolated from major cities and are dependent on telecommunications now provided by Telstra. There will be no guarantees to my constituents in Strathfield, Drummoyne and Concord. If Telstra were to be further privatised, I would be gravely concerned about the future of telecommunications in this country.

I noted earlier this afternoon, when I was listening to the debate, that the member for Riverina came into the chamber and talked about the disadvantages faced by schools and also several of her constituents from Junee and Griffith. The member for Riverina discussed how Telstra is not providing the services required to provide access to Internet services and mobile phones. I agree. As someone who was born and raised in a little country town called Dunedoo in New South Wales, I am aware that problems similar to those being experienced by the constituents of the member for Riverina are being experienced in that part of rural Australia. How can the member get up and say how Telstra is failing her community when she supported the sale and further sale of Telstra—the reason for poor telecommunications in rural and regional areas? I hope that the member for Riverina will continue to keep her constituents in mind when the government pushes, as it undoubtedly will, for the further sale of Telstra.

It is supreme hypocrisy for the member for Riverina to come in here and purport to stand up on behalf of her constituents and talk about the deficiencies in communications in that part of Australia when she herself supported the 49 per cent privatisation and will no doubt support the full privatisation when the government are in a position to push that legislation. I happen to quite like the member for Riverina—she is a very nice
person—but I think it is appalling when members of the government come in here and start crying on behalf of their electorate when they themselves are selling their own constituents down the drain. I think that is disgraceful. I hope the member for Riverina, like other members who have participated in this debate—and I am not just singling her out; I just happened to hear her contribution to this debate—bears this in mind when decisions are taken by the coalition to fully privatise Telstra. And I hope that she stands up in her party room and speaks for her constituents in the same manner in which she expressed concerns about communications in her area here this afternoon. I hope she will make good on her strong words and reject the further sale to ensure the services to the Riverina are not further eroded.

I would like to turn momentarily to the issue of the universal service subsidy, where under this bill the minister may set a determination for the universal service providers subsidy entitlement for up to three years in advance. I support this approach on the proviso that the minister ought to receive advice from the ACA before setting the level of USO subsidy. I would also mention that any charges imposed by universal service providers are subject to price control determinations and that to increase charges the carrier may have to get consent from the minister or the ACCC. So I generally support the Telecommunications (Universal Service Levy) Amendment Bill 2000, which implements the measures incidental to the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 to allow the government to make carriage service providers jointly liable in proportion to their revenue to the USO levy. That part of the legislation is okay.

I would like to reiterate that I strongly support the opposition amendment and the statements made by the shadow minister for communications, Stephen Smith, earlier today in this House that Telstra should remain in public hands and continue to properly service the outer extended zones, which cover 80 per cent of Australia’s landmass. The government has a responsibility to the public interest to ensure that cross-subsidisation takes place and that the USO is fulfilled for those in rural and remote areas.

In conclusion, I support the amendment of the shadow minister. I condemn the government for pushing the full privatisation of Telstra. Is the vast amount of revenue which is being derived from the GST—and, more recently, the record revenue which is flowing into the coffers of the Treasury from the increases in oil prices—not enough? Why is there a need to fully privatise Telstra? There is plenty of revenue, and the government knows that. That was raised here in question time this afternoon. Any other member of the government who intends to participate in this debate should put their hands up for their own constituencies, particularly those in rural and regional Australia, and oppose the full privatisation of Telstra. Obviously, that is not in the public interest and is looking after only those people who are interested in making a quick buck by buying shares and hoping to make a quick return. I will be interested to hear the member for Capricornia, who will shortly follow my comments on this bill, because she represents a constituency in Queensland where there would be major problems with the full privatisation of Telstra.

Ms LIVERMORE (Capricornia) (8.08 p.m.)—I thank the member for Lowe for the introduction. He has hit the nail right on the head, because there are a lot of problems with the continued push by the government to seek the further privatisation of Telstra. That has a lot of negatives for my electorate, which I will go into. Like most of the initiatives of this government on telecommunications, the Telecommunications (Universal Service Levy) Amendment Bill 2000 and the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 are more about the ongoing push by this government to sell off the rest of Telstra than about ensuring improved or even adequate levels of telecommunications infrastructure and service in regional and rural Australia. The sell-off of Telstra over the last four years fits very neatly into the Howard government’s overall theme of ignoring the needs and opportunities of regional Australia. The Howard government either does not
see or does not care that the future of regional Australia—any hope of making the most of our opportunities or even achieving a decent standard of living—depends on access to world class telecommunications infrastructure and the technical support on the ground to put that in place and keep it operating.

With the privatisation so far of half of Telstra we are going backwards on both of those measures in regional Australia—that is, on infrastructure and service. The story so far in my electorate of Capricornia in Central and western Queensland has not been a happy one. We have seen a reduction of services to Central Queensland, particularly in rural areas. But you do not have to go far, even around Rockhampton, to hear about the delays in Telstra services. The employees are just not there anymore to do the work that is needed. For example, not so long ago I had a discussion with members of the Kalapa branch of the Country Women’s Association who were trying to get a phone connected in their hall. Telstra had run the cable up to the building but a private contractor then had the job of completing the connection. When the CWA ladies asked the contractor what was going on and why this phone had not yet been installed they were told that no electrician would do the job for the price the contractor was paying. So these ladies, who do an awful lot of work for their community, got the total run-around for weeks just to get a single phone installed. This is in Kalapa, which is only half an hour from Rockhampton, so I do not think the partial privatisation of Telstra is a big hit out there.

Mr McGauran—Righto, I’ll check it out.

Ms Livermore—You can check this out, because I really want an answer on this: what is going to happen with the call centre jobs in Rockhampton? Telstra announced earlier that we are looking at thousands of job losses in call centres around Australia.

Mr McGauran interjecting—

Ms Livermore—The announcement last week by Telstra did not specify where these call centre jobs were going. They did say that they would be consulting with the government on where those jobs were going to be taken from and where they were going to be put into. As the minister seems very interested in what is going on, I would like a guarantee that the call centre employees in Rockhampton will keep their jobs. Thank you very much, Minister—good of you to take that up.

Of course we have seen other techs being made redundant from Telstra in our area in the last four years. The effect that this has is quite major in Capricornia, because a reduction of the permanent work force in towns like Longreach and Barcaldine—even in Rockhampton—really has a big impact. Contractors are not going to live in places like Longreach and Barcaldine. They will come in and out to do the jobs and the projects that they have to do; they will not be staying around and contributing to the viability of those towns. So there is nothing in privatising Telstra for our part of Queensland, and the feedback that I get as I travel around the electorate is that people know that all too well. That leaves the Howard gov-
ernment in a tough position because they are determined to sell off the rest of Telstra. Despite the falling service levels and despite the record profits that could be coming back to the government through dividends for years into the future, we keep seeing the government try to build a rhetorical case for the further privatisation of Telstra. But the rhetoric has a big job ahead of it to overcome the facts of the downside of privatisation that abound in rural Australia.

Part of the rhetoric the government has relied on to dress up its push for privatisation is the Besley inquiry, but it seems that that inquiry is heading the way of the Prime Minister’s ‘never ever’ promise on the GST. Before the last election the federal government promised to hold an independent, legislated inquiry to ascertain that service levels were adequate in rural and regional Australia before proceeding with further privatisation. What we have ended up with is an inquiry whose terms of reference never came back to the parliament and whose make-up and proceedings were less than credible from the start. Most recently, we saw the memo from Telstra that they certainly did not want the opposition to know about. That memo spelled out what everyone suspected about the inquiry; that is, that the report will say what it needs to say to provide cover for the government to flog off the remainder of Telstra. This legislation is another part of the government’s rhetoric to try to counterbalance the realities of what is happening out in the bush. The government is basically saying: ‘Yes, service levels have been dropping in regional Australia since the partial privatisation, but here is the answer’—the next rhetorical answer from the government—‘competitive tendering of the universal service obligation.’ This bill, the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000, provides the legislative framework for the two trials of universal service obligation contestability that the government announced earlier this year. As the shadow minister has explained in proposing his amendment to the government’s bill, the Labor Party has no fundamental objection to exploring the potential for other carriers to take on the universal service obligation where such a move can be shown to be capable of delivering better telecommunication services to a particular regional community. My concern is that this proposal for competitive tendering of the USO comes at a time when the government is looking for justification to sell off the remainder of Telstra. There is a real danger of this pilot exercise going the way of the Besley inquiry and coming up with the results that suit the government’s privatisation agenda rather than it being a dispassionate evaluation of what is potentially in it for regional Australia.

In its rush to privatise Telstra, the government is holding this pilot project up—no matter what the outcome may be—as the answer to service shortfalls in rural Australia. If we have a look at what is proposed in the government’s USO tendering process, there are two pilot projects. The universal service obligation to provide standard telephone services will be put up for tender in the regions of south-west Victoria and south-east South Australia as one region, and the second region will include north-east New South Wales and parts of south-east Queensland. The interesting thing to note is that Telstra will be required to remain as the primary universal service provider or the carrier of last resort in those two pilot regions, so it is a bit odd that, in trying to set up a shining example to justify the privatisation of Telstra, the government has highlighted to everyone in rural and regional Australia just how crucial the role of Telstra is in providing telecommunication services to everyone in Australia no matter where they live. That is not telling the people in my electorate anything. They are against the privatisation of Telstra in places like Muttaburra and Alpha because they know the reality is that private companies just are not going to be falling over themselves to provide services in those rural and remote areas. They need Telstra—and a Telstra in government hands—to have any hope of receiving decent service levels and keeping in touch with the technological developments in major centres. If other service providers want to take the opportunity to pick up work in those rural areas and increase competition and consumer choice, that is fine. But Telstra has to maintain its investment in and its commitment to rural
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Australia so that there is some guarantee to people in the bush that the telecommunication service will be there if and when the profits are not. That is one aspect of this proposal and this bill that should ring a big alarm bell in rural Australia. Competitive tendering of the USO is worth a look, but only if Telstra is in there as the provider of last resort.

The second aspect of the pilot project that I cannot help but notice and mention is the location. I cannot claim to be an expert on south-west Victoria, but my guess is that we are talking about an area three to four hours from Melbourne. As for the area in northern New South Wales, there are a number of major centres in that part of the state. There is no immediate comparison, as far as I can understand, between those areas and the western parts of my electorate in terms of the distance from major towns and even the distances between small communities and properties there. I would say there would need to be very careful analysis of the results of trials in those pilot areas before one could have any confidence about the success or even viability of a tendering process for the universal service obligation in those remote parts of Central and Western Queensland. That is the essence of the ALP’s reservations about this bill. There is nothing wrong with giving competitive tendering a try, but the evaluation has to be rigorous and any expansion of the universal service obligation contestability should also incorporate the safety net of Telstra, just as is being put in place with this trial.

I note that this bill would permit the government to go beyond the current trials and move to contestability of the universal service obligation with reference back to parliament through disallowance of the key decisions. I have grave concerns about those assumptions being made about the application of USO contestability before there is a chance for a proper and independent review of the outcome of the two trials about to get under way. The people in my electorate have already been sold a pup by this government when it comes to the GST. When it comes to something as vital to our future as telecommunications, I want to know exactly what competitive tendering of the USO has achieved in those trial regions and what potential pitfalls or advantages there may be for Central Queensland. If the government were honest they would know that such an evaluation cannot occur in the time between now and the election next year. Will that stop them using this process to shore up support for another sell off? I will be doing my best to make sure that rural voters in my electorate are awake to this con job by the government. I want to see some results before I see another multimillion dollar advertising campaign from this government before the next election, selling voters in Central Queensland on the supposed benefits of privatising Telstra on the basis that competitive tendering of the USO will solve all our service problems. I live in hope! I would feel much better taking part in this debate if I thought that the government was fair dinkum about the issues. It would be more satisfying if I thought that the government had introduced these bills to find a way to provide better telecommunication services to people living in Central Queensland and other parts of rural and regional Australia. But I fear that it is not. Instead, it is the latest attempt by the government to sugar-coat its determination to privatisate Telstra.

I support all the recommendations in the shadow minister’s amendment, but there is one in particular that I would like to address. A major concern with the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000 is the failure of the government to require Telstra to continue as a universal service provider if it fails to win the $150 million tender for the provision of untimed local calls in the extended outer zones. According to Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000, the winner of the tender for untimed local calls automatically becomes the primary universal service provider for that area. This is in contrast to the contestability trials proposed in the bill we are debating tonight which keep Telstra on as a provider of last resort. The problem is that the extended outer zones make up about 80 per cent of Australia and a fair whack of the western part of my electorate. If Telstra does not win
that work it will be free to withdraw its services from those areas. I therefore support the shadow minister’s call for the government to amend the current bill to include Telstra as the provider of last resort regardless of the outcome of the tendering process for untimed local calls.

I repeat the question that I asked at the beginning of my speech: does the government not know how things are in rural and regional Australia or does it just not care? If the Prime Minister would come to Central Queensland, he would see that the privatisation of Telstra just does not help us in any way. Our future growth and success relies heavily on world-class telecommunications just like the rest of Australia. But if the Prime Minister believes that the way for us to obtain that quality infrastructure is to privatise Telstra, then he really is living in a dream world.

We have seen too many times in my electorate in Central Queensland what happens when our standard of infrastructure and services is left totally to market forces and to private enterprise. We have seen it with banks; we have seen it with petrol companies. The banks, with an eye to their bottom line, have shut down branches in our area and are providing a lower level of service to residents, particularly in smaller towns like Winton, Aramac and Jericho. It is the same thing with petrol. It does not suit the petrol companies to provide our fuel at the same price as the major metropolitan centres. There is no level playing field when it comes to Central Queensland—or rural and regional Australia generally—compared with the metropolitan areas. To assume that somehow telecommunications companies are going to go against the trend that we see from petrol companies and banks seems to be fairly misguided optimism.

It is not just our economic development opportunities that are going to rely on telecommunications services in the future. Increasingly, our most basic services in the fields of health, education and other government services are being provided through the use of telecommunications technology, which makes sense because it is cost-efficient. But the government and other service providers cannot on the one hand withdraw their services from small rural towns and regional areas with the promise that that will be taken up with telecommunications technology without also recognising that we need to have a very high level of telecommunications infrastructure and also technical support for maintenance of that infrastructure and those services.

In closing, it is time that we saw our future telecommunications needs in terms of infrastructure and service in regional Australia being determined by a government with strategic vision rather than just being left to market forces and the bottom line of private companies. I am supporting the two bills tonight and also supporting the recommendations moved in the form of a second reading amendment by the shadow minister as a way of making this process a real, comprehensive look at how we provide better services to rural and regional Australia rather than just provide the government with one more excuse to peddle out in rural and regional Australia to cover up for the further privatisation of Telstra, which they seem intent on pursuing.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (8.25 p.m.)—in reply—I was prepared to give the member for Capricornia the benefit of the doubt with regard to her sincerity and genuineness in representing the interests of her constituents and not just dismiss her contribution as being tired, worn and utterly predictable CPSU claims, as is the case with almost every opposition member’s contribution. But when she said that the discussion within the government regarding the full privatisation of Telstra was the same con as the GST, I am afraid I had to lump her in the same category of oppositionists as her colleagues are. We know that from 1 July 2000 the Labor Party supports the GST. The best people can hope for from the Labor Party is that there will be a roll-back of parts of the GST. So the member for Capricornia borders on the point of hypocrisy when she attacks the GST.

Ms Livermore interjecting—

Mr McGAURAN—Of course she walks out. She stands there, going around the world...
attacking the government on banks and petrol prices and then walks out when an attempt to answer her criticisms is made. It is typical of the Labor Party. We are never going to hear about roll-back on GST. It makes you think it is never going to happen, otherwise the Leader of the Opposition would have the courage of his convictions to give some depth and analysis to 18 months of commitment to roll-back. It is like the 30 per cent private health insurance rebate. As we heard at question time today, the shadow minister for health has issued 30 press releases condemning, attacking and damning the private health insurance rebate and now suddenly the opposition supports it.

Mr DEPUTY SPEAKER—The minister should come to the point of the bill.

Mr McGAUrán—I will come to the point of the debate. If any Labor supporter or potential Labor voter thinks that the Labor Party will hold true to any principled or ideological opposition to the privatisation of Telstra, they should look at their track record. Just as they said they would die in a ditch over the privatisation of the Commonwealth Bank, sure enough it happened—as it did to Qantas and a whole range of government business enterprises. The Labor Party have no credibility whatsoever on this issue of privatisation of Telstra.

I wish to thank the members of the government for their considered contributions to the second reading debate on Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 and cognate bill. The opposition speakers raised a number of issues in relation to the bills. Some of them were minor technical matters but there were a number of substantive points that require a direct reply, because they deliberately confuse and distort the debate over this very important legislation. The member for Swan made a number of fanciful claims without foundation or evidence or backing about the government’s handling of the partial sale of Telstra. We certainly do not accept the claims that the Telstra privatisation has been anything less than a success. With regard to service levels, we had the members for McMillan and Calare amongst others on the opposition benches making a number of references to Telstra service levels. Of course you could always find examples of less than adequate services by any large service provider, Telstra included. The member for Groom brought some factual perspective to the debate by raising the Australian Communications Authority’s most recent report on service levels.

From the way the member for Capricornia was talking you would think there had been a golden age of telecommunications—installation, maintenance, repair and expansion—under the old Telecom or the old PMG. In what period of the full privatisation of Telstra was it when all of your rural constituents and mine had instant connections, perfect service, no breakdowns and the latest technology? I would like to know in what period of Telecom’s history, when it was in full government ownership, that that occurred. It never occurred. You speak of Telstra nostalgically as if it had always been the most perfect of all businesses. The member for Groom was right to inject a note of reality and fact into this debate by pointing to the ACA’s the independent umpires legislative assessment of Telstra’s service level performance.

On 22 September this year the ACA announced a significant improvement in Telstra’s performance over the last 12 months in connecting new services in regional areas within the time frames specified by the Telecommunications (Customer Service Guarantee) Standard 1997, the service guarantee standard that we brought in. Labor, when it had Telecom as its prized business enterprise, never introduced a customer service guarantee in this way—answerable to this parliament and to an independent statutory authority such as the ACA. Instead, the Labor Party was happy with Telecom. It thought Telecom was doing a great job. Really! Remember the 60 Minutes programs and the continual letters to the editor all through the 1980s and 1990s about Telecom’s inefficiencies, Telecom’s monopoly and Telecom’s offhand arrogance? The member for Perth has graced us with his presence. Why doesn’t he tell us when this golden age, this era of infallibility and per-
fection, of Telecom was? That is what I would really be interested in.

Under this legislative performance, Telstra has never been more accountable in providing for rural as well as urban subscribers in every way. Under the ACA report, Telstra’s performance rose by 27 percentage points to 83 per cent when compared to the June 1999 quarter. This improvement has not been made at the expense of the other areas of Telstra’s customer service guarantee performance. In addition, the improvement builds on Telstra’s performance in the previous quarter, which saw an improvement against most reporting parameters when compared to the same period last year. Would the member for Perth like to join the members for Groom and Riverina in congratulating Telstra for its improved performance, particularly when the introduction of USO contestability holds the promise of further improving service levels in the bush? I really do think the member for Perth should have the good grace, objectivity and impartiality to congratulate Telstra.

The member for Swan complained that the USO reform is just a ‘crafty attempt’ to further privatise Telstra. The ownership of Telstra is irrelevant to the standards of service all carriers are required to provide to customers. And the government and the community know that the USO can and will be fulfilled regardless of the ownership status of Telstra. Why is such a complex public policy and plain commercial point lost on the opposition? Why has no-one, from the member for Perth to the member for Capricornia and all speakers between, been able to explain why that is such an offensive argument with regard to the further privatisation of Telstra? The simple fact is that public ownership of Telstra does not guarantee a level of service. It is the legislative requirements imposed by a government that is the true test of holding carriers to standards of service that the community rightly expects and demands.

The members for Swan and Calare also seem to operate under the misconception that Telstra delivers and funds the USO—a simple misunderstanding which renders their contributions quite incredible. They believe Telstra should deliver and fund the USO because it alone can afford to do so. The USO is industry funded and has been since 1991. The member for Groom again came to the rescue of ill-informed or deliberately misleading opposition members, and he explained that the USO is about funding unprofitable services regardless of who delivers them. The USO is a regulatory tool; it does not exist because of the ongoing ownership of Telstra. The same applies to the customer service guarantee introduced by the government, as I have stressed.

The opposition is wrong when it says the government is portraying the USO tendering and the USO contestability as some kind of magical formula for improving telecommunications in regional Australia. We do see them as key initiatives with much to offer, but we are pursuing a multipronged strategy that also involves, firstly, promoting commercial service delivery through our pro-competitive legislation; secondly, targeting programs such as those under Networking the Nation and the Telstra social bonus; thirdly, providing strategic and practical government leadership, particularly in the areas of electronic commerce and government online, through the National Office for the Information Economy and the Office of Government Online; and, fourthly, where appropriate, other regulatory measures such as the customer service guarantee and the digital data service obligation.

I have to say without hesitation that we welcome the support of the member for Perth for a thoughtful implementation of USO contestability. The opposition’s main concern, it seems to me, revolves around the view that Telstra should be forever and a day the primary universal service provider. We in the government do not subscribe to this view. The government’s view is that the carrier best suited for the role of primary universal service provider in a particular area should fulfil that role. What could be more common sense than that? Under the government’s reform strategy, Telstra will automatically be the primary universal service provider for the vast majority of USO customers—that is, those in the more populous 20 per cent of the country outside the extended zones. This is because in these regions Telstra, for histori-
eral reasons, is best suited to fulfil that role at present. Ensuring that Telstra is the primary universal service provider in the first instance will enable these customers to have the choice to stay with Telstra or to move to a new universal service provider.

I do not want to labour a point already made, but I again make the point that Telstra’s position as primary universal service provider does not require government ownership. They are separate issues. That does not mean that the primary universal service provider may not change in the future if someone better qualified emerges. But that is a matter for the future and one which would require the sanction of parliament as, under proposed section 12A, determination of another carrier as the primary universal service provider is disallowable. There is no inconsistency between having Telstra as a primary universal service provider and allowing competitors into the market. Telstra’s role of primary universal service provider in the standard zones is simply recognition of the fact that it is currently the primary access provider and its service should continue to be available to customers. Consumers will receive additional benefits from the choice of offerings by competing universal service providers.

In a competitive market it is necessary to provide all players with equal opportunity to provide services and earn subsidies. The government does not anticipate the wider distribution of subsidies leading to wasteful duplication of infrastructure. The most likely outcome is for competing universal service providers to offer services based on alternative platforms, such as satellite or wireless mobile systems, thereby extending the benefits of these platforms into regional Australia.

As the member for Perth colourfully, graphically and even dramatically illustrated with the maps he was waving around—in a poor imitation of the member for Hotham’s teddy bear outfit of a few weeks ago on the GST—there is some point of difference between the government and the opposition as to who is best placed to fulfil the role of primary universal service provider in the extended zones. For some reason, the member for Perth thinks it is Telstra’s inherent right or duty. The government simply is not convinced it is. Amongst other things, other carriers have made credible claims. What about the other carriers?

Mr Stephen Smith interjecting—

Mr DEPUTY SPEAKER—Order! The member for Perth has had his opportunity and will have an opportunity in the future.

Mr McGauran—I wonder if the member for Perth would make some claim about the capacity of other carriers in this regard. In any event, the government believes the question of who the primary universal service provider should be in the extended zones should be put to the test, and that is effectively what the extended zones tender will do. In the area covered by the extended zones tender, the existing infrastructure is generally not on a par with the rest of Australia. This is manifested, for example, in the absence of untimed local calls and restricted Internet access. There is a need to upgrade these services and the supporting infrastructure, and the parliament has made $150 million available from the T2 sale to do this.

The issue then becomes to whom the $150 million should be allocated to provide those services and upgrade the infrastructure. The expenditure of such a considerable sum provides a great opportunity to leverage a significant advance in telecommunications service levels for remote Australia. In spending that sum, it is the responsibility of government to achieve the best value for the community. That is the purpose of the tender. In a competitive environment, the government could not simply give the money to Telstra, yet that seems to be what the opposition as a logical extension of their claims are seriously proposing. It is the successful tenderer who will be funded to provide new services that are absent in the country areas and will have the upgraded infrastructure capable of doing it. It follows that this carrier is best positioned to provide services in the extended zones into the future—that is, to be the primary universal service provider. The tender process will be scrupulously fair. Telstra will have exactly the same opportunity as other bidders. For the government, the
important issue is determining who the best provider of services to regional and rural Australian is.

We are not playing policy roulette, as the member for Canning attempted to say by likening the government’s approach to the contestability pilots and the tender in the extended zones to a roulette wheel. It is ridiculous to assert that the government will not take a careful and considered approach to the assessment of the pilots before expanding the scheme. It is inherent in the projects being pilots that they will be evaluated and the results considered before any extension is initiated.

Mr Stephen Smith—The bill does not require that. Which provision provides that?

Mr McGauran—A comprehensive administrative monitoring and evaluation framework for the pilots is being put in place at this moment, and I am sure the member for Perth would welcome a briefing on this at the appropriate time. With regard to the member for Perth’s concern, the government’s proposed amendments require the minister to seek the advice of the ACA prior to setting USO subsidies and to provide a public statement of reasons if he diverges from the ACA’s advice. That should satisfy the member for Perth if he is at all fair and balanced in this debate. In conclusion, I reiterate that the bills provide for significant enhancement over time of the delivery of the USO while protecting the interests of all consumers of USO services. The opposition’s proposed amendment to the motion for the second reading is ill conceived and should be rejected. I commend the bill to the House.

Question put:

That the words proposed to be omitted (Mr Stephen Smith’s amendment) stand part of the question.

The House divided. [8.48 p.m.]

(Mr Deputy Speaker—Hon. I.R. Causley)

Ayes............ 66
Noes............ 65
Majority........ 1

AYES

Abbott, A.J. Anderson, J.D.
Anthony, L.J. Bailey, F.E.
Baird, B.G. Barresi, P.A.
Bartlett, K.J. Bilsom, B.F.
Bishop, B.K. Cadman, A.G.
Brough, M.T. Cameron, R.A.
Downer, A.J.G. Charles, R.E.
Elson, K.S* Draper, P.
Fischer, T.A. Fahey, J.J.
Gallus, C.A. Forrest, J.A* 
Gash, J. Gambaro, T.
Haase, B.W. Georgiou, P.
Hawker, D.P.M. Hardgrave, G.D.
Hull, K.E. Hocker, J.B.
Kelly, D.M. Jull, D.F.
Lawler, A.J. Kelly, J.M.
Lloyd, J.E. Lindsay, P.J.
May, M.A. Macfarlane, I.E.
Moore, J.C. McGauran, P.J.
Nairn, G. R. Moylan, J. E.
Nelson, B.J. Nehl, G. B.
Nugent, P.E. Neville, P.C.
Pyne, C. Prosser, G.D.
Ronaldson, M.J.C. Reith, P.K.
Scott, B.C. Schultz, A.
Slipper, P.N. Secker, P.D.
Southcott, A.J. Somlyay, A.M.
Sullivan, K.J.M. St Clair, S.R.
Thomson, A.P. Thompson, C.P.
Tuckey, C.W. Truss, W.E.
Vale, D.S. Vaile, M.A.J.
Williams, D.R. Washer, M.J.

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Bevis, A.R.
Bereton, L.J. Burke, A.E.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Crosio, J.A. Danby, M.
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Gerick, J.F. Gibbons, S.W.
Gillard, J.E. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Horne, R.
Irwin, J. Jenkins, H.A.
Kernet, C. Kerr, D.J.C.
Latham, M.W. Lawrence, C.M.
Lee, M.J. Livermore, K.F.
Macklin, J.L. Martin, S.P.
McClelland, R.B. McFarlane, J.S.
McLeav, L.B. McMullan, R.F.
Metham, D. Morris, A.A.
Mossfield, F.W. Murphy, J. P.
O’Byrne, M.A. O’Connor, G.M.
O’Keefe, N.P. Plibesek, T.
Price, L.R.S. Quick, H.V.
Ripoll, B.F. Roxon, M.L.
Rudd, K.M. Sawford, R.W* 
Sciaccia, C.A. Sercombe, R.C.G* 
Sidebottom, P.S. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Theophanous, A.C.
Tuesday, 3 October 2000

Thomson, K.J.
Zahra, C.J.

PAIRS
Howard, J.W.
Ruddock, P.M.

* denotes teller

Question so resolved in the affirmative.
Original question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation)—(8.54 p.m.)—Mr Deputy Speaker—

Opposition members interjecting—

Mr McGAURAN—The seat of Gippsland is in safe hands!

Opposition members interjecting—

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—Order! I remind the House that it may be a moment of frivolity but we must continue our consideration of the bill.

Opposition members interjecting—

Mr McGAURAN—God, you are easily amused. You get within a handful of votes on a division and you are ecstatic. You are so easily amused in opposition. What about some policy? What about the roll-back? Why don’t you more productively use your time? I seek leave of the House to move government amendments Nos 1 to 38 together.

Mr DEPUTY SPEAKER—Is leave granted?

Mr Stephen Smith—Given that the minister barely has the support of the House I am reluctant to give leave but, imbued by generosity of spirit, I shall.

Leave granted.

Mr McGAURAN—What a man of graciousness and generosity, as all of his colleagues would no doubt say. I now move government amendments Nos 1 to 38:

(1) Clause 2, page 1 (lines 11 and 12), omit subclause (2), substitute:

(2) Schedules 1 to 3 (other than items 10, 11 and 13 of Schedule 3) commence, or are taken to have commenced, on 1 July 2000.

(3) Items 10, 11 and 13 of Schedule 3 commence on the first 1 January, 1 April, 1 July or 1 October following the day on which this Act receives the Royal Assent.

(2) Schedule 1, page 3 (lines 2 to 4), omit the heading, substitute:

Schedule 1—New Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999

(3) Schedule 1, item 1, page 7 (lines 7 and 8), omit subsection (5), substitute:

(5) A determination under paragraph (1)(b) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(4) Schedule 1, item 1, page 9 (lines 22 and 23), omit subsection (5), substitute:

(5) A determination under this section is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(5) Schedule 1, item 1, page 10 (line 4), omit subsection (4), substitute:

(4) A determination under this section is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(6) Schedule 1, item 1, page 20 (lines 8 to 23), omit subsections (1) and (2), substitute:

(1) This section applies if:

(a) either:

(i) the Minister determines under section 12A that a carrier or carriage service provider (the current provider) is the primary universal service provider for a universal service area (the relevant area) in respect of a service obligation; or

(ii) the ACA approves a carrier or carriage service provider (the current provider) under section 13B as a competing universal service provider for a universal service area (the relevant area) in respect of a contestable service obligation; and

(b) another person, who is or was a universal service provider for the area in respect of the obligation, is determined to be a former provider under subsection (2B).

Note: The Minister may be taken to have made a determination under section 12A if an
agreement is made under section 56 or 57 of the Telstra Corporation Act 1991: see section 12E.

(2) This section also applies if:

(a) any of the following applies:

(i) the Minister revokes or varies a determination under section 12A so that a person (the former provider) ceases to be a universal service provider for a universal service area (the relevant area) in respect of a service obligation; or

(ii) the ACA revokes or varies an approval under section 13B so that a person (the former provider) ceases to be a universal service provider for a universal service area (the relevant area) in respect of a service obligation; or

(iii) a person (the former provider) otherwise ceases to be a universal service provider for a universal service area (the relevant area) in respect of a service obligation;

and

(b) another person (the current provider), who was also a universal service provider for the relevant area in respect of the service obligation, continues to be a universal service provider for the area in respect of that obligation:

(i) if subparagraph (a)(i) or (ii) applies—after the revocation or variation; or

(ii) if subparagraph (a)(iii) applies—after the cessation.

(2A) Subsections (1) and (2) can apply before the determination, revocation or variation under section 12A or the approval, revocation or variation under section 13B takes effect.

(2B) The Minister may determine in writing that a person is a former provider for the purposes of this section.

(7) Schedule 1, item 1, page 21 (after line 26), after subsection (6), insert:

(6A) If a former provider has been given notice of a requirement under subsection (3), the ACA may, in writing, direct the former provider to comply with the requirement or with specified aspects of the requirement. The former provider must comply with the direction.

(6B) In deciding whether to give a direction under subsection (6A), the ACA must consider whether the requirement under subsection (3) is reasonable.

(8) Schedule 1, item 1, page 23 (lines 19 to 28), omit subsection (4), substitute:

(4) In deciding whether to make a determination that a person is a primary universal service provider, the Minister is limited to considering factors that are relevant to achieving the objects of this Act.

(9) Schedule 1, item 1, page 25 (after line 1), before subsection (2), insert:

(1A) A primary universal service provider for a universal service area in respect of a service obligation by supplying alternative telecommunications services in accordance with an approved ATS marketing plan, is taken to have fulfilled any other obligation that arises under this Act because of that service obligation to the extent that the other obligation applies to the supply of alternative telecommunications services.

(10) Schedule 1, item 1, page 25 (lines 11 to 16), omit subsection 12D(1), substitute:

(1) Until:

(a) a determination of a primary universal service provider under section 12A; or

(b) a deemed determination of a primary universal service provider under section 12E;

takes effect for the first time for a universal service area in respect of a service obligation, the Minister is taken to have made a determination under section 12A that Telstra is the primary universal service provider for that area in respect of that service obligation.

(11) Schedule 1, item 1, page 31 (lines 17 to 28), omit section 12N.

(12) Schedule 1, item 1, page 40 (line 19), omit “subsection (1)”, substitute “subsection (4)”.

(13) Schedule 1, item 1, page 41 (lines 7 to 13), omit subsection (2), substitute:

(2) A competing universal service provider for a universal service area in respect of a contestable service obligation, who fulfils that service obligation by supplying alternative telecommunications services in accordance with an approved ATS marketing plan, is taken to have fulfilled any other obligation that arises under this Act because of that service obligation to the extent that the other obligation applies to the supply of alternative telecommunications services.

(14) Schedule 1, item 1, page 42 (lines 1 to 4), omit subsection (3), substitute:
After receiving the notice, the ACA may determine in writing:

(a) the date on which the provider’s approval as a competing universal service provider in respect of that contestable service obligation ceases to have effect; and

(b) that section 13D does not apply, to the extent specified in the determination, to the provider from the day on which the ACA received the notice or a later day specified in the determination.

15B Former digital data service provider may be required to provide information to current digital data service provider

(1) This section applies if:

(a) the Minister determines under section 15 that a carrier or carriage service provider (the current provider) is a digital data service provider for a particular area (the relevant area); and

(b) another person, who is or was a digital data service provider for some or all of the relevant area, is determined to be a former provider under subsection (4).

(2) This section also applies if:

(a) either:

(i) the Minister revokes or varies a determination under subsection (1) or (2) in relation to a person and an area, the Minister is limited to considering factors that are relevant to achieving the objects of this Act.

(ii) a person otherwise ceases to be a digital data service provider for some or all of the area:

(i) if subparagraph (a)(i) applies—after the revocation or variation; or

(ii) if subparagraph (a)(ii) applies—after the cessation.

(3) Subsections (1) and (2) can apply before the determination, revocation or variation under section 15 or the cessation takes effect.

(4) The Minister may determine in writing that a person is a former provider for the purposes of this section.

(5) The current provider may, by written notice given to the former provider, require the former provider to give to the current provider specified information of the kind referred to in subsection (6). A notice of this kind cannot be given more than 6 months after:

(a) if subsection (1) applies—the later of the following days:

(i) the day on which the current provider became a digital data service provider for the relevant area; or

(ii) the day on which the determination under subsection 15(1) or (2) was made in respect of the current provider; or

(b) if subsection (2) applies—the day on which the former provider ceases to be a digital data service provider for the relevant area.

(6) The information that may be required to be given must be information that will assist the current provider in doing something that the current provider is or will be required or permitted to do by or under a provision of this Part. The notice must identify the doing of that thing as the purpose for which the information is required.

Note 1: If, for example, information about service location and customer contact details will assist the current provider in fulfilling its obligation under subsection 15A(4) or (5), the former provider may be required to provide that kind of information.

Note 2: See also subsection (8), which allows the Minister to determine that a specified kind of information is information referred to in this subsection.

(7) If a requirement made by a notice under subsection (5) is reasonable, the former provider must comply with the requirement as soon as practicable after receiving the notice. However, if the requirement is unreasonable, the former provider does not have to comply with it.

(8) The Minister may make a written determination to the effect that, either generally or in a particular case, information of a kind specified in the determination is taken to be
information that will assist a person in doing a specified thing that the person is or will be required or permitted to do by or under a provision of this Part. The determination has effect accordingly.

(9) If a former provider has been given notice of a requirement under subsection (5), the ACA may, in writing, direct the former provider to comply with the requirement or with specified aspects of the requirement. The former provider must comply with the direction.

(10) In deciding whether to give a direction under subsection (9), the ACA must consider whether the requirement under subsection (5) is reasonable.

(11) A determination under subsection (8) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(17) Schedule 1, item 1, page 58 (line 12), omit “plan”, substitute “draft plan”.

(18) Schedule 1, item 1, page 58 (after line 20), after paragraph (a), insert:

(aa) the draft plan addresses the needs of people with a disability; and

(19) Schedule 1, item 1, page 61 (line 28) to page 62 (line 13), omit section 16A, substitute:

16A Minister must seek ACA’s advice

(1) Before making or varying a determination under section 16, the Minister must direct the ACA to give the Minister advice about the proposed determination or variation. However, this subsection does not apply to a proposed variation of a minor technical nature.

(2) The ACA must comply with the direction.

(3) If the ACA has received advice from the ACA about a proposed determination or variation and does not make the determination or variation in accordance with the advice, the Minister must ensure that a notice of his or her reasons for departing from the advice: (a) is published in the Gazette within 14 days after making the determination or variation; and

(b) is laid before each House of the Parliament within 5 sitting days of that House after making the determination or variation.

(4) Subsection (1) does not, by implication, limit the Minister’s powers under section 486 of the Telecommunications Act 1997 (which deals with public inquiries).

(20) Schedule 1, item 1, page 69 (after line 22), at the end of subsection (3), add:

Note: It is an offence to make a false or misleading statement in connection with the operation of this Act (see section 578 of the Telecommunications Act 1997).

(21) Schedule 1, item 1, page 69 (line 24), omit “Part”, substitute “Act”.

(22) Schedule 1, item 1, page 70 (line 31), after “section”, insert “; other than a determination taken to have been made because of subsection (3).”.

(23) Schedule 1, item 1, page 71 (line 2), omit “Part”, substitute “Act”.

(24) Schedule 1, item 1, page 71 (lines 10 and 11), omit subsection (3), substitute:

(3) A determination under paragraph (1)(b) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(25) Schedule 1, item 1, page 71 (lines 23 and 24), omit subsection (2), substitute:

(2) However, the Minister may, by making a written determination, modify the requirements in subsection (1), including by omitting, adding or substituting requirements.

(3) This section does not apply to a person if the ACA gives written notice to the person to that effect.

(4) A copy of a determination under subsection (2) must be published in the Gazette.

(26) Schedule 1, item 1, page 72 (lines 18 and 19), omit subsection (4), substitute:

(4) A determination made for the purposes of subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(27) Schedule 1, item 1, page 74 (after line 19), at the end of subsection (5), add:

Note: It is an offence to make a false or misleading statement in connection with the operation of this Act (see section 578 of the Telecommunications Act 1997).

(28) Schedule 1, item 1, page 83 (after line 4), at the end of section 21A, add:

; and (d) amounts equal to amounts of penalty paid from time to time under section 23D.

(29) Schedule 1, item 1, page 84 (after line 23), at the end of section 21C, add:
(6) A person’s levy credit balance for the claim period is reduced by the amount (worked out under this section) that is paid to the person.

(7) This section continues to apply until each person’s levy credit balance for the period is reduced to nil.

(30) Schedule 1, item 1, page 85 (line 15), omit “has made”, substitute “may make, or has made.”.

(31) Schedule 1, item 1, page 85 (line 17), omit “has worked out the matters that such an assessment sets out”, substitute “may work out, or has worked out, the matters that such an assessment will set out, or sets out.”.

(32) Schedule 1, item 1, page 88 (after line 17), at the end of section 22C, add:

(4) A notice under subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(33) Schedule 1, item 1, page 90 (after line 11), at the end of Division 16, add:

23C Offence of failing to lodge eligible revenue return

(1) A person is guilty of an offence if:
(a) the person is required under section 20 to give the ACA an eligible revenue return for an eligible revenue period; and
(b) the person fails to do so; and
(c) the ACA has not made an assessment under section 20U that includes an estimate of the person’s eligible revenue for the eligible revenue period.

This is an offence of strict liability.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the Criminal Code sets out the general principles of criminal responsibility.

Note 2: For strict liability, see section 6.1 of the Criminal Code.

Note 3: The maximum penalty for a body corporate is 250 penalty units. See subsection 4B(3) of the Crimes Act 1914.

(2) A person who is guilty of an offence under subsection (1) is guilty of a separate offence in respect of each day on which the failure continues (including the day of a conviction for the offence or any later day).

(3) Despite anything in section 583 of the Telecommunications Act 1997, that section does not apply to an offence under subsection (1).

(34) Schedule 1, item 1, page 90, at the end of Division 16 (after proposed clause 23C), add:

23D Penalty for late payment of levy

(1) If any amount of levy assessed under section 20U that is payable by a person remains unpaid after the day by which it must be paid, the person is liable to a penalty on the unpaid amount for each day until all of the levy has been paid.

(2) The penalty rate is 20% per year, or such lower rate as the ACA determines in writing for the purposes of this subsection.

(3) The ACA may remit the whole or part of a penalty that a person is liable to pay under subsection (2).

(4) The penalty for a day is due and payable to the ACA at the end of that day and may be recovered by the ACA, on the Commonwealth’s behalf, as a debt due to the Commonwealth.

(5) Amounts of penalty received are to be paid into the Consolidated Revenue Fund.

(6) If the amount of the penalty is not an amount of whole dollars, the penalty is rounded to the nearest dollar (rounding 50 cents upwards).

(7) As soon as practicable after a person fails to pay an amount of levy by the time by which it must be paid, the ACA must, in writing, notify the person that the person is liable to a penalty under this section. However, a failure to do so does not affect the person’s liability.

(8) A determination made for the purposes of subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(35) Page 90 (after line 11), at the end of the Bill, add:

Schedule 2—Application and transitional provisions

1 Application of repealed Part 2

Despite the repeal and substitution of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 by Schedule 1 to this Act, that Part continues to apply, after that Schedule commences in relation to the financial year that ended on 30 June 2000, as if that repeal and substitution had not happened.

2 Things done under repealed Part 2

(1) If:
(a) something was done (other than something covered by item 3), before this Act received the Royal Assent, under or for the purposes of a provision of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999; and
(b) immediately after the repeal and substitution of that Part by Schedule 1 to this Act, there is a provision in that Part that requires or allows the same, or an equivalent, thing to be done;
then, after the commencement of Schedule 1, the thing is taken to have been done under or for the purposes of the latter provision.

(2) If the thing would have been done by another person or body, had it been done after the commencement of Schedule 1, then it is taken to have been done by that other person or body for the purposes of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

3 Effect of instruments made under repealed Part 2

(1) For the purposes of this item, an eligible instrument means regulations, a declaration, a determination, a direction, a notice or any other instrument that was:
(a) made or given under a provision (the original provision) of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 in the table in subitem (3), or made or given for the purposes of such a provision; and
(b) in force immediately before this Act received the Royal Assent.

(2) Despite the repeal and substitution of that Part by Schedule 1 to this Act, an eligible instrument has effect, after that Schedule commences, as if:
(a) it had been made or given under, or for the purposes of, the equivalent provision of that Part in the table in subitem (3); and
(b) any requirement for the making or giving of the eligible instrument had been satisfied.

(3) This table sets out the original provisions, and their equivalent provisions, of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

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Equivalent provisions of the Telecommunications (Consumer Protection and Service Standards) Act 1999

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<th>Item</th>
<th>This original provision (before this Act receives the Royal Assent):</th>
<th>... is equivalent, after Schedule 1 commences, to this provision:</th>
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<tr>
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<td>subsection 43(2)</td>
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4 References to certain terms in eligible instruments

(1) For the purposes of this item, an eligible instrument means regulations, a declaration, a determination, a direction, a notice or any other instrument that:

(a) was in force immediately before this Act received the Royal Assent; and

(b) contains a reference to a term the definition of which is repealed by this Act.

(2) For the purposes of the amendments made by Schedule 1 to this Act, the Minister or the ACA may determine in writing that a specified eligible instrument has effect, after that Schedule commences, as if a reference in the instrument to a specified term were a reference to another specified term.

Note: An instrument may be specified by name, by inclusion in a specified class or in any other way.

5 Treatment of draft universal service plans

(1) This item applies to a draft universal service plan given to the Minister under Division 4 of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999, that the Minister has neither approved nor refused to approve, before this Act received the Royal Assent.

(2) To the extent that the draft contains statements of the policy that the universal service provider concerned will apply in supplying equipment, goods or services, the draft is, after Schedule 1 to this Act commences, taken to be a draft policy statement for the purposes of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

(3) The remainder of the draft is, after Schedule 1 commences, taken to be a draft standard marketing plan for the purposes of that Act.

Note: Section 22A of that Act deals with requests for information.

6 Treatment of approved universal service plans

(1) This item applies to an approved universal service plan under Division 4 of Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 that was in force immediately before this Act received the Royal Assent.

(2) To the extent that the plan contains statements of the policy that the universal service provider concerned will apply in supplying equipment, goods or services, the plan is, after Schedule 1 to this Act commences, taken to be an approved policy statement for the purposes of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

(3) The remainder of the plan is, after Schedule 1 commences, taken to be an approved standard marketing plan for the purposes of that Act.

7 Meaning of eligible person

After Schedule 1 to this Act commences, each of the following persons, in relation to a financial year that ended on or before 30 June 2000, is taken to be an eligible person for the purposes of section 22A of the Telecommunications (Consumer Protection and Service Standards) Act 1999:

(a) a universal service provider;

(b) a digital data service provider;

(c) a participating carrier.

Note: Section 22A of that Act deals with requests for information.

8 Application of requirement to maintain Registers

(1) Section 23 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 (which requires the ACA to maintain a Register or Registers) does not apply to the ACA until:

(a) 3 months after the day on which this Act receives the Royal Assent; or
(b) such later day as the Minister determines in writing for the purposes of this paragraph.

(2) A copy of a determination made for the purposes of paragraph (1)(b) must be published in the Gazette.

9 Transitional regulations
The Governor-General may make regulations in relation to any matters of a transitional nature that may arise out of the amendments and repeals made by this Act.

(36) Page 90, after proposed Schedule 2, add:

Schedule 3—Consequential and other amendments

Telecommunications Act 1997

1 Section 7 (paragraphs (i) and (j) of the definition of civil penalty provision)
Repeal the paragraphs.

2 Section 66
Repeal the section.

3 Paragraph 105(3)(e)
Repeal the paragraph, substitute:

(e) the adequacy of compliance with obligations under Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999;

4 Paragraph 105(3)(ea)
Repeal the paragraph, substitute:

(ea) the operation of Parts 2 and 5 of the Telecommunications (Consumer Protection and Service Standards) Act 1999;

5 After paragraph (1)(j) of Schedule 4
Insert:

(ja) a decision of a kind referred to in subsection 23D(3) (which deals with remission of late payment penalty) of the Telecommunications (Consumer Protection and Service Standards) Act 1999;

(jb) a decision of a kind referred to in subsection 101A(3) (which deals with remission of late payment penalty) of the Telecommunications (Consumer Protection and Service Standards) Act 1999;

6 Subsection 2(2)
Repeal the subsection, substitute:

(2) Part 3 commences on 1 July 1999.

7 Application

Despite the repeal and substitution of subsection 2(2) of the Telecommunications (Consumer Protection and Service Standards) Act 1999 made by item 6, that subsection continues to apply, after this item commences in relation to the financial year that ended on 30 June 2000, as if that repeal and substitution had not happened.

8 Subsection 5(2)
Repeal the subsection, substitute:

(2) In this Act:

alternative telecommunications services, or ATS, in Part 2 has the meaning given by section 8E.

approved ATS marketing plan:

(a) for a primary universal service provider has the meaning given by subsection 12P(2); and

(b) for a competing universal service provider, or applicant for approval as a competing universal service provider, has the meaning given by subsection 13M(2).

approved digital data service plan means an approved digital data service plan under Subdivision B of Division 8 of Part 2.

approved policy statement:

(a) for a primary universal service provider has the meaning given by subsection 12F(2); and

(b) for a competing universal service provider, or applicant for approval as a competing universal service provider, has the meaning given by subsection 13F(2).

approved standard marketing plan:

(a) for a primary universal service provider has the meaning given by subsection 12F(4); and

(b) for a competing universal service provider, or applicant for approval as a competing universal service provider, has the meaning given by subsection 13F(4).

claim period in Part 2 has the meaning given by section 8D.

competing universal service provider has the meaning given by section 13A.

contestable service obligation has the meaning given by section 11C.

default arrangements has the meaning given by section 12.

digital data service has the meaning given by subsection 10E(1).
digital data service charge has the meaning given by section 19.
digital data service obligation has the meaning given by section 10.
digital data service provider means:
(a) a general digital data service provider; or
(b) a special digital data service provider.
draft ATS marketing plan:
(a) for a primary universal service provider has the meaning given by subsection 12P(1); and
(b) for a competing universal service provider, or applicant for approval as a competing universal service provider, has the meaning given by subsection 13M(1).
draft digital data service plan means a draft digital data service plan under Subdivision B of Division 8 of Part 2.
draft policy statement:
(a) for a primary universal service provider has the meaning given by subsection 12F(1); and
(b) for an applicant for approval as a competing universal service provider has the meaning given by subsection 13F(1).
draft standard marketing plan:
(a) for a primary universal service provider has the meaning given by subsection 12F(3); and
(b) for a competing universal service provider, or applicant for approval as a competing universal service provider, has the meaning given by subsection 13F(3).
eligible revenue for an eligible revenue period has the meaning given by section 20B.
eligible revenue period has the meaning given by section 20C.
general digital data service has the meaning given by subsection 10E(2).
general digital data service area has the meaning given by section 10H.
general digital data service obligation has the meaning given by section 10A.
general digital data service provider has the meaning given by subsection 15(1).
levy means levy imposed by the Telecommunications (Universal Service Levy) Act 1997.
levy contribution factor has the meaning given by section 20H.
levy credit has the meaning given by subsection 20J(2).
levy debit has the meaning given by subsection 20R(2).
participating person for an eligible revenue period has the meaning given by section 20A.
primary universal service provider has the meaning given by section 12A.
service area has the meaning given by section 8C.
service obligation has the meaning given by section 9B.
special digital data service has the meaning given by subsection 10E(3).
special digital data service area has the meaning given by section 10J.
special digital data service obligation has the meaning given by section 10B.
special digital data service provider has the meaning given by subsection 15(2).
standard contestability arrangements has the meaning given by section 13.
standard telephone service has the meaning given by section 6.
Telecommunications Industry Ombudsman means the Telecommunications Industry Ombudsman appointed under the Telecommunications Industry Ombudsman scheme.
Telecommunications Industry Ombudsman scheme means the scheme referred to in section 128.
this Act includes the regulations.
universal service area has the meaning given by section 9G.
universal service charge has the meaning given by section 18.
universal service obligation has the meaning given by section 9.
universal service provider has the meaning given by section 11A.
universal service subsidy has the meaning given by section 16.
9 Application
Despite the repeal and substitution of subsection 5(2) of the Telecommunications (Consumer Protection and Service Standards) Act 1999 made by item 8, that subsection continues to apply, after this item commences in relation to the financial year that ended on 30 June 2000, as if that repeal and substitution had not happened.
10 Section 99
Repeal the section, substitute:
99 Persons liable to pay levy (taxpayers)
NRS levy is payable by each person who:
(a) is a participating person for the last eligible revenue period that ends before the start of the quarter; and
(b) is covered by the most recent levy assessment made before the start of the quarter.

Note: The most recent levy assessment is defined in section 101C.

11 Subsection 100(3) (definition of eligible revenue)
Repeal the definition, substitute:
eligible revenue, for a taxpayer for a quarter, means the taxpayer’s eligible revenue as shown in the most recent levy assessment made before the start of the quarter.

Note: The most recent levy assessment is defined in section 101C.

12 At the end of Division 3 of Part 3
Add:

101A Penalty for late payment of levy
(1) If any amount of levy that a person is liable to pay under section 99 remains unpaid after the day by which it must be paid, the person is liable to a penalty on the unpaid amount for each day until all of the levy has been paid.
(2) The penalty rate is 20% per year, or such lower rate as the ACA determines in writing for the purposes of this subsection.
(3) The ACA may remit the whole or part of a penalty that a person is liable to pay under subsection (2).
(4) The penalty for a day is due and payable to the ACA at the end of that day and may be recovered by the ACA, on the Commonwealth’s behalf, as a debt due to the Commonwealth.
(5) Amounts of penalty received are to be paid into the Consolidated Revenue Fund.
(6) If the amount of the penalty is not an amount of whole dollars, the penalty is rounded to the nearest dollar (rounding 50 cents upwards).
(7) As soon as practicable after a person fails to pay an amount of levy by the time by which it must be paid, the ACA must, in writing, notify the person that the person is liable to a penalty under this section. However, a failure to do so does not affect the person’s liability.
(8) A determination made for the purposes of subsection (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

101B Performance bonds and guarantees
(1) The Minister may, by written determination, require a person who has a liability to pay levy, or an anticipated liability to pay levy, under section 99 to obtain, in accordance with the determination, performance bonds or guarantees in respect of the person’s liability or anticipated liability.
(2) The person must comply with the determination.
(3) A determination under this section is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.
(4) In this section: performance bond has the meaning given by the determination.

13 At the end of Division 3 of Part 3
Add:

101C Meaning of most recent levy assessment
In this Division:
most recent levy assessment means the assessment most recently made by the ACA under one of the following sections:
(a) section 193 of the Telecommunications Act 1997 as in force immediately before the commencement of item 15 of Schedule 4 to the Telecommunications Legislation Amendment Act 1999;
(b) section 64 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 as in force immediately before the commencement of Schedule 1 to the Telecommunications (Consumer Protection and Service Standards) Amendment Act (No. 2) 2000;
(c) section 20U of this Act.

14 After subsection 107(6)
Insert:

(6A) However, subsection (6) does not apply if obligations arising under one or any combination of the following:
(a) one or more agreements;
(b) this Act or the Telecommunications Act 1997;
(c) one or more disallowable instruments under this Act (other than regulations under subsection (2)) or the Telecommunications Act 1997;
have the effect of providing a scheme to give benefits of a kind mentioned in subsection (2).

15 After section 159

Insert:

159A Review of operation of Parts 2 and 5 of this Act

(1) The Minister must cause a review of the operation of Parts 2 and 5 of this Act to be commenced within 3 years after the Telecommunications (Consumer Protection and Service Standards) Amendment Act (No. 2) 2000 receives the Royal Assent.

(2) The review must consider:

(a) the operation of Parts 2 and 5; and
(b) whether those Parts best promote the objects of this Act and of Part 2 (as set out in section 3 of the Telecommunications Act 1997 and section 8A of this Act; and
(c) any other matters the Minister considers relevant.

(3) The Minister must cause a copy of a report of the review to be laid before each House of the Parliament within 15 sitting days of that House after the report is completed.

(37) Page 90, after proposed Schedule 3, add:

Schedule 4—Levy distribution for the 1998-1999 financial year

1 Meaning of former law

In this Schedule:

former law means the Telecommunications Act 1997 as in force immediately before the commencement of item 15 of Schedule 4 to the Telecommunications Legislation Amendment Act 1999.

2 Levy distribution for 1998-1999 financial year

Items 3 to 6 of this Schedule apply if section 215 of the former law prevents a payment being made out of the Universal Service Account for the 1998-1999 financial year because of either or both of the following:

(a) the ACA has not yet made a written assessment under section 193 of the former law for that year;
(b) not all participating carriers in respect of which levy was assessed have paid the levy.

Note: The operation of the former law for the 1998-1999 financial year is preserved by item 23 of Schedule 4 to the Telecommunications Legislation Amendment Act 1999.

3 Assessment based on estimate of eligible revenue

(1) If a participating carrier fails to give the ACA a return under section 191 of the former law for the 1998-1999 financial year, the ACA may:

(a) estimate the carrier’s eligible revenue for the year; and
(b) make a written assessment under section 193 of the former law of the carrier’s eligible revenue for the year based on the estimate.

(2) The ACA must give at least 14 days’ notice to the carrier of the ACA’s proposal to make the assessment based on the estimate, and of the amount of eligible return proposed to be assessed. The notice must be in writing.

(3) The ACA must not make an assessment based on an estimate after receiving a return for the year from the carrier concerned.

(4) However, if the ACA has made an assessment based on the estimate, the ACA is not required to change it if a return is later given to the ACA.

4 Nil assessments

The ACA may make an assessment under section 193 of the former law or item 3 of this Schedule that a participating carrier’s eligible revenue for the 1998-1999 financial year is nil if, in the ACA’s opinion, without such an assessment:

(a) it is unlikely that the carrier would be able to pay any levy that would be payable; or
(b) the carrier is unlikely to pay the levy unless the Commonwealth takes action to recover it and the cost of doing so would exceed the amount of the levy.

Note: However, the ACA could later amend a nil assessment under section 195 of the former law.

5 Distributions before all levies have been paid

Despite paragraph 215(b) of the former law, an amount is payable from the Universal Service Account for the 1998-1999 financial year even if all of the participating carriers in respect of which the levy was assessed have not yet paid the levy.

6 Working out how much levy is payable

(1) If the total of the amounts payable to carriers out of the Universal Service Account is more than the balance of the Universal Serv-
ice Account, after paying any refunds that are due under section 208 of the former law, the ACA must:

(a) work out the amount payable to each carrier as a proportion of the total amounts payable; and

(b) ensure that any payments out of the Universal Service Account are made in accordance with those proportions (rounding amounts to whole dollars as the ACA considers appropriate).

(2) However, if the Minister determines in writing a different method for making payments out of the Universal Service Account than the method provided in subitem (1), the ACA must act in accordance with that determination.

(3) A determination under subitem (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(4) A carrier’s levy credit balance for the 1998-1999 financial year is reduced by the amount (worked out under this item) that is paid to the carrier.

(5) This item continues to apply until each carrier’s levy credit balance for the year is reduced to nil.

3 Assessment based on estimate of eligible revenue

(1) If a participating carrier fails to give the ACA a return under section 62 of the former law for the 1999-2000 financial year, the ACA may:

(a) estimate the carrier’s eligible revenue for the year; and

(b) make a written assessment under section 64 of the former law of the carrier’s eligible revenue for the year based on the estimate.

(2) The ACA must give at least 14 days’ notice to the carrier of the ACA’s proposal to make the assessment based on the estimate, and of the amount of eligible return proposed to be assessed. The notice must be in writing.

(3) The ACA must not make an assessment based on an estimate after receiving a return for the year from the carrier concerned.

(4) However, if the ACA has made an assessment based on the estimate, the ACA is not required to change it if a return is later given to the ACA.

4 Nil assessments

The ACA may make an assessment under section 64 of the former law or item 3 of this Schedule that a participating carrier’s eligible revenue for the 1999-2000 financial year is nil if, in the ACA’s opinion, without such an assessment:

(a) it is unlikely that the carrier would be able to pay any levy that would be payable; or

(b) the carrier is unlikely to pay the levy unless the Commonwealth takes action to recover it and the cost of doing so would exceed the amount of the levy.

Note: However, the ACA could later amend a nil assessment under section 66 of the former law.

5 Distributions before all levies have been paid

Despite paragraph 86(b) of the former law, an amount is payable from the Universal Service Account for the 1999-2000 financial year even if all of the participating carriers in respect of which the levy was assessed have not yet paid the levy.

6 Working out how much levy is payable

(1) If the total of the amounts payable to carriers out of the Universal Service Account is more than the balance of the Universal Service Account, after paying any refunds that are
due under section 79 of the former law, the ACA must:

(a) work out the amount payable to each carrier as a proportion of the total amounts payable; and

(b) ensure that any payments out of the Universal Service Account are made in accordance with those proportions (rounding amounts to whole dollars as the ACA considers appropriate).

(2) However, if the Minister determines in writing a different method for making payments out of the Universal Service Account than the method provided in subitem (1), the ACA must act in accordance with that determination.

(3) A determination under subitem (2) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

(4) A carrier’s levy credit balance for the 1999-2000 financial year is reduced by the amount (worked out under this item) that is paid to the carrier.

(5) This item continues to apply until each carrier’s levy credit balance for the year is reduced to nil.

The government is moving amendments to this bill as well as to the Telecommunications (Universal Service Levy) Amendment Bill 2000 to cover a range of matters. In summary, rather than taking the time of the chamber, the government’s amendments will: make technical corrections to oversights in the drafting; make consequential amendments; make a number of determinations disallowable instruments; incorporate amendments made by the parliament to the Telecommunications (Consumer Protection and Service Standards) Amendment Act (No. 1) 2000; establish necessary application and transitional arrangements; clarify and enhance the operation of a number of proposed provisions; insert definition and additional penalty provisions; make a number of housekeeping and other amendments to the Telecommunications (Consumer Protection and Service Standards) Act and Telecommunications Act to keep them aligned with the new universal service obligation regime; and facilitate the disbursement of levy for the 1998-99 and 1999-2000 financial years. In summary, the amendments will further enhance the new universal service obligation arrangements provided for in the bills. Full details of the amendments are set out in the supplementary explanatory memorandum which I now present for this bill and the following Telecommunications (Universal Service Levy) Amendment Bill 2000.

Mr STEPHEN SMITH (Perth) (8.57 p.m.)—As I indicated in the course of the second reading debate, the government amendments are comprehensive and quite extensive. At first glance, they appear to not cause any great difficulty but, as I said in the debate, we reserve our right to take any point in the Senate. On first blush they seem to be simply technical or they amend this bill consistent with the amendments made in the Senate to the No. 1 bill which passed the chamber previously.

Amendments agreed to.

Mr STEPHEN SMITH (Perth) (8.58 p.m.)—I ask the same question of the Minister for the Arts and the Centenary of Federation, who is at the table, that I asked of the minister at the table when the No. 1 bill went through the chamber before the winter recess. The great difficulty that the opposition has with the government’s approach is that, on the one hand, with the $150 million tender for the extension of local calls to the outer extended or the remote area, the government’s policy position is that the winner of that tender automatically becomes the universal service provider for that area which, as the minister at the table knows, is 80 per cent of the Australian landmass. On the other hand, so far as the universal service obligation contestability pilot projects are concerned, the two pilot projects cover some part of South Australia, Victoria, New South Wales and Queensland—although that part of Victoria which is covered is not, as I understand it, covered by the marginal seat of the minister at the table which he will no doubt lose at the next election. That is certainly the prediction that the Australian makes today. But that is by way of digression. The qualitative public policy point is that, in respect of the pilot projects, the government agrees with our position, which is that Telstra ought to remain in the marketplace as the safety net provider of last resort while those pilot projects are evaluated.
We have a further difference, which is that there is nothing in the bill which would require a comprehensive evaluation and further visitation by the parliament. Under the government’s model, an extension of the pilot projects could be done automatically. But the substantive question I ask—the key point—concerns this: I am still struggling to find from the government an explanation as to why on the one hand, with 80 per cent of the landmass for the $150 million tender, there is no requirement that Telstra remain in the marketplace as the provider of last resort. The winner of the tender automatically becomes the universal service obligation provider. On the other hand, so far as the pilot projects are concerned, the government agrees with our policy, which is that, for the pilot projects for the USO contestability, Telstra is required to remain in the marketplace as the provider of last resort and will be commercially compensated for that. Can the minister please explain the rationale for this qualitative difference, which leaves 80 per cent of the Australian landmass at risk of Telstra making a commercial decision and removing itself from coverage of 80 per cent of the Australian landmass?

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—I think the member for Perth has missed his cue, but to facilitate his question I will go back to the motion that the amendment be agreed to.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation)

(9.00 p.m.)—Thank you for your indulgence, Mr Deputy Speaker. I am sure the confusion as to the issue raised by the member for Perth lies in his own mind and that the apparent contradiction that he outlines can be easily answered. Rather than taking the time of the House, I will obtain written advice for the honourable member.

Mr STEPHEN SMITH (Perth) (9.01 p.m.)—My understanding was, Mr Deputy Speaker, that you had previously put, and the House had carried, the government amendments. My understanding is—

Mr McGauran—And the bill.

Mr STEPHEN SMITH—No, I jumped before you put the bill. But, as I understand it, the Deputy Speaker is in any event allowing me to pursue this matter. With respect, Mr Deputy Speaker, and with respect to the Minister for the Arts and the Centenary of Federation, who is at the table, it is not a matter which the minister can put off and seek advice on. This was precisely the issue that I raised with the minister at the table in the No. 1 bill. The minister on that occasion was the Minister for Trade, the member for Lyne, Mr Vaile. I can entirely understand that he would have no appreciation of communication matters, given that his portfolio is trade—and he has precious little appreciation of those matters. But we are now faced in this bill with a situation where the minister at the table has had, firstly, the notice of my contribution in the second reading debate and, secondly, the notice that came from the same point I made in the No. 1 bill, which is a debate which we had in this House some four months ago now.

So it is hardly appropriate for the minister at the table to say he will go off and seek advice. I know that he scurried to the advisers box but, frankly, I would have thought that, for a National Party minister in a marginal seat where he has a history and a track record of paying more attention to walking down the streets of Melbourne than to how the call centres might be going in his electorate, it is incumbent upon him to answer that question. There is a qualitative difference in approach. On the one hand, the government is saying that the winner of the $150 million tender for the extension of local call zones to the extended zones—or the remote areas, as they are generally known—which may well be a company or a corporation other than Telstra or Telstra Countrywide, automatically becomes the universal service obligation provider for that area, which is 80 per cent of the landmass.

We know from the leaked secret Telstra document to Dr Switkowski, the chief executive officer, that Telstra would make a commercial judgment as to whether it would remain operating within that area. Part of that area would be the area covered by the seat of the member for Kalgoorlie, Mr Haase, who is sitting in the chamber, and part of that area would be yours. What is the government’s...
Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (9.04 p.m.)—I was being overly polite earlier on when I told the honourable member that I would write to him on these issues. Now I am afraid I am going to have to embarrass him in front of the House. I exhaustively, for between eight and 10 minutes, canvassed these issues. I was well aware that was the central point of the honourable member’s earlier contribution in the second reading debate. He can check the Hansard. He will find that every aspect of his prolonged question—leaving out the gratuitous insults that seem to have popped up a number of times tonight—are contained within my speech on the second reading. I decline to have to repeat them because you were not attending the chamber or, if you were, you were otherwise distracted or engaged. The simple fact is that all of the questions raised by the honourable member were answered earlier tonight. I would like to know why he is seeking to delay the House when matters that he now canvasses were discussed at length in considerable detail earlier on tonight. Just because you do not participate in debates, you do not listen, does not mean you can take the time of the House with a special performance or a repeat performance for your benefit.

Mr STEPHEN SMITH (Perth) (9.06 p.m.)—If the Minister for the Arts and the Centenary of Federation at the table wants me to delay the proceedings of the House, I am entirely capable of doing that. The minister’s explanation in response to my question is to say, ‘I gave that explanation earlier.’ Regrettably, and most unfortunately, I was not in the chamber when he gave that explanation. But if it is as simple as merely repeating an easily understood explanation, he should simply repeat it. The problem the minister has is that, just as the minister at the table was not able to answer this question in the handling of the No. 1 bill, so a repetition of the minister’s speech in reply, the tabling of his speech or a reading of the Hansard tomorrow or any subsequent day will not answer the question that I have posed. That is because it exposes a fundamental qualitative difficulty in the government’s position which the government has to date failed or refused to answer and which the minister at the table continues and persists to fail or refuse to answer because it exposes the stark contrast of public policy deficiency which the government has in this area. The question is quite straightforward and, if the minister asserts that there is an easy answer, he should simply give it without the aid of scurrying to the advisers box or scratching out notes that he has previously made in the course of his presentation.

There are two quite simple and straightforward issues here. The government has indicated that its policy is to put out into the marketplace, for competitive tendering, a tender to the value of $150 million for the extension of local calls to the outer extended zones or remote areas. The winner of that tender—which may or may not be Telstra—will automatically become the primary universal service provider for that area. That area is 80 per cent of the Australian landmass. The government is not requiring, through its policy, that Telstra be required to remain in that marketplace—80 per cent of the Australian landmass—if it fails to win that tender. On the other hand, with the competitive tendering of the universal service obligation provision in the pilot project areas, the government is quite rightly requiring that Telstra remain in the marketplace in those areas as the provider...
of last resort, on the basis that Telstra is the national universal service obligation provider.

Can the minister please explain: what is the government’s rationale for the qualitative difference requiring Telstra to remain in the marketplace for the two pilot project areas—a view of public policy which accords with ours and which is certainly correct—but not requiring Telstra to remain in the marketplace thereafter, thus leaving 80 per cent of the Australian landmass potentially exposed to a commercial decision by Telstra to vacate the field? Please explain, without resort to repetition or the tabling of a speech. Just answer the question.

Mr DEPUTY SPEAKER (Mr Mossfield)—Order! Any further discussion?

Mr McGauran—No.

Mr STEPHEN SMITH (Perth) (9.09 p.m.)—I must say that I am frankly shocked and appalled at the refusal—

Mr McGauran—You can get leave to table it.

Mr STEPHEN SMITH—You do not need my leave to table a speech that you have already delivered. I am frankly shocked and appalled at the failure of the Minister for the Arts and the Centenary of Federation at the table. Firstly, the minister at the table is a member of the National Party—he is a National Party minister. Secondly, he represents a Victorian rural and regional seat. Thirdly, he represents the Minister for Communications, Information Technology and the Arts in this portfolio area. When I asked precisely the same questions of the minister at the table, the Minister for Trade, in the No. 1 bill, which we dealt with in the month of June, I could well understand his being unable to answer them.

Mr McGauran—I have answered them in the second reading speech.

Mr DEPUTY SPEAKER—Order! I ask members to address their remarks through the chair.

Mr STEPHEN SMITH—The minister at the table asserts that he has answered the question, to which I say two things: firstly, he has not answered the question and, secondly, if he has answered the question, just repeat the answer for the benefit of the broadcasting public. At quarter to nine tonight the broadcasting signal went on. Those people who clicked into the broadcast at 8.45 p.m. have not had the opportunity of hearing your speech summing up the second reading debate. So simply repeat that point. Please explain to the Australian public, to rural and regional Australia, to rank and file members of that once great National Party—particularly those in Victoria who were once represented by great and strong men such as McEwen, Hunt and Nixon and who are now being represented by pale imitators, whether they be the minister at the table or the Deputy Prime Minister, the ‘member for Red Hill”—and please explain to your constituents, those Australians out there in rural and regional and remote Australia, why you have a public policy position which prospectively leaves 80 per cent of the Australian landmass at risk of Telstra making a commercial decision and vacating the field on the one hand, whereas on the other hand you are requiring Telstra to remain in the marketplace as the provider of last resort, as the safety net provider, as the national universal service obligation provider in the two pilot project areas which cover a substantially lesser area of the Australian landmass. If the answer is so simple, the minister should simply volunteer it.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.12 p.m.)—I am glad that the member for Perth makes the point to honourable members that the broadcasting light has come on and that people have joined us. So can I bring them up to date with what has happened here so that they can see for themselves the game playing by the member for Perth and the Labor opposition. At 8.35 p.m., representing the Minister for Communications, Information Technology and the Arts, I went into some detail and length regarding the issues raised by the member for Perth in his earlier contribution to this bill. He either did not attend the chamber or, for the short time he did, talked to his friends and was not listening. He is now delaying the proceedings of the House, demanding a repeat performance of the contribution I made as Minister representing the Minister for Communications, Information Technology and the Arts. What arrogance compels the member for Perth to demand a
personal one-on-one briefing in the parliament when we have so many other pieces of legislation to continue with? This is quite unprecedented.

I will, however, facilitate the member for Perth by tabling my speaking notes that cover all of the points he has raised. The minister at the table is not required to repeat, 40 minutes later, the points and issues he has previously made. I hereby present the speaking notes relating to the issues raised by the member for Perth.

Mr DEPUTY SPEAKER (Mr Mossfield)—The minister’s speech has been tabled.

Mr STEPHEN SMITH (Perth) (9.13 p.m.)—Firstly, the Minister for the Arts and the Centenary of Federation has tabled his speech notes but not before scratching out, visibly, whilst sitting at the table, a range of handwritten notes. But that is by the by. What the minister has failed and refused to do is to explain to the House the government’s public policy rationale as to why it is proposing to leave exposed to a commercial decision by Telstra 80 per cent of the Australian landmass—80 per cent of the landmass, which the minister at the table professes to seek to represent as a member of the once great National Party.

I will finish not by asking the minister to answer the question that he has failed or refused to answer on any number of occasions but by simply making this point. On this side of the chamber, some of my colleagues make invidious comparisons between the minister at the table and his brother in the other place. For myself, I have always been imbued with a sense and spirit of generosity so far as the minister at the table is concerned, so I will not make any invidious comparisons. I simply urge members of this House, members of the public, members of the community and in particular members of the once great Victorian branch of the National Party to read the minister’s speech tomorrow and to discover when they read his speech in Hansard tomorrow that the minister has not on behalf of the government tonight or on any previous occasion outlined to the Australian public why there is a qualitative difference between the approach the government is taking on the $150 million tender in respect of 80 per cent of the Australian landmass and the pilot projects.

What the government is pursuing by way of its policy is essentially leaving 80 per cent of the Australian landmass exposed to commercial decisions by Telstra. If this policy is allowed to be pursued by the government, what the Australian public will see is a continuing and further decline of telecommunications services to those areas of Australia which the minister at the table and the once great National Party purport to represent, which they now do so appallingly and so shamefully.

Bill, as amended, agreed to.

Third Reading
Bill (on motion by Mr McGauran)—by leave—read a third time.

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 2000

Second Reading
Consideration resumed from 7 September, on motion by Mr McGauran:
That the bill be now read a second time.
Question resolved in the affirmative.
Bill read a second time.

Consideration in Detail
Bill—by leave—taken as a whole.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.18 p.m.)—by leave—I move government amendments Nos 1 to 3 together:

(1) Clause 2, page 1 (line 10), after “commence- ment of”, insert “Schedule 1 to”.

(2) Schedule 1, page 3 (after line 4), before item 1, insert:

1A  Section 4

Omit “section 10’, substitute “section 8B”.

(3) Schedule 1, item 6, page 4 (line 5), omit “and that repeal had not happened”.

I have already spoken on the issues surrounding these amendments in relation to the previous bill, and I commend the amendments to the House.

Amendments agreed to.
Bill, as amended, agreed to.

Third Reading

Bill (on motion by Mr McGauran)—by leave—read a third time.

COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2000

Second Reading

Debate resumed from 6 September, on motion by Mr Slipper:

That the bill be now read a second time.

Mr TANNER (Melbourne) (9.19 p.m.)—The first part of the Commonwealth Electoral Amendment Bill (No. 1) 2000 deals with political parties' receipt of the electoral roll and the second part deals with the registration of political parties. The Labor Party are in general terms in agreement with the government over the bill. We agree that there is a need to amend the Commonwealth Electoral Act as it applies to political parties' receipt of the electoral roll. The government has assured us that it needs to legislate in this way based upon advice from the Solicitor-General. We are, however, disappointed that the government has not provided this advice to us, and we urge the government again to do so. Nevertheless, we trust that after the Electoral Commission got its fingers burnt releasing the rolls unlawfully to the Australian Taxation Office for John Howard's direct mail letter for his GST campaign, it now has chosen to return to a slightly more prudent management of the electoral rolls.

The first part of this bill is intended to give the Electoral Commission the authority to provide federally registered political parties with the same range of information made available prior to the Howard letter fiasco. We support that intention, but we are concerned about one element of it. Currently, only parties that are organised on the basis of a particular state or territory can get the roll for that area. The bill proposes to allow parties that are organised in five states to get the roll for the sixth state and to provide the roll for all states to parties that have five senators or members. The rolls that parties receive are supplemented with a lot of data that is designed to help local members with constituent and other electoral work. The basis of giving parties the roll for certain states is that the party in question has members, an organisational base and/or some connection to the community in that state. Giving a party the roll for a state where it has no base would undermine the legitimate reason for giving parties the roll. It is no surprise that the party that will benefit from this change is the National Party. The opposition will move in the Senate to delete this outrageous little rort from this part of the bill.

The second part of the bill deals with the registration of political parties. Again, we are broadly supportive of the government's intentions in this matter. The two infamous Davids, David Oldfield and David Ettridge, state in the constitution of their new No GST Party that they want to:

... conduct a low maintenance party devoid of traditional costs associated with administering large memberships and conducting unnecessary meetings of those members.

This is outrageously antidemocratic. They also state:

As a single issue party, it is recognised that the need for intellectual involvement by members is limited as the required intellectual contributions and substance of the party will be sought from appropriately qualified taxation and accounting professionals.

The two antidemocratic Davids may scorn the input of party members and broad debate, but the Commonwealth Electoral Act should reflect the necessity for any political institution to have a democratic basis.

However, we do have some concerns with the government proposals, and I would like to outline the areas in which the opposition will be moving amendments in the Senate. First, unlike the government, we feel that a person who has become a federal parliamentarian should have the right to register one party. However, we agree with the government that state and territory MPs should not be able to register parties at the federal level as of right. Second, we believe that two or more parties should not be able to rely upon the same member for registration purposes. Without this provision, entrepreneurial types such as Messrs Oldfield and Ettridge would be able to relabel a group of 500 members dozens of times to register dozens of political parties. It is not enough to set the base membership
level at 500. To the extent that the Electoral Commission can check such things, we need to ensure that those 500 members are in fact genuine. We believe the AEC is more than capable of managing the simple membership checking processes that this would require. We are also confident that it would be able to ensure the privacy of that information.

Third, we strongly feel that there should be a registration fee for parties. Currently, it costs the AEC—and thereby the taxpayer—at least $8,000 to handle the registration for each and every aspirant political party. The main part of that cost is soaked up in advertising, yet surprisingly there is no charge for parties applying for registration. Ordinary citizens have to pay registration fees for their pets, cars, clubs and many other administrative processes organised by the government, so why shouldn’t political parties have to pay such a fee? The opposition believe that aspirant parties should have to pay a one-off fee and it should be set at a level that recovers a fair proportion of the Electoral Commission’s cost. We also believe there should be a lower fee for parties who want to change their registered name.

There is a genuine desire on the part of the Labor Party—and I believe in this case the Liberal Party—to clear these matters up. No doubt there will be further robust discussion on how these matters can be resolved, but they will be, because Australians cannot afford to allow our electoral system to be preyed upon by the unscrupulous using glib slogans to harvest votes for preferences and, equally, try to prevent their votes being counted in a fair and honest way.

The bill before us is at the heart of the integrity that each of us as a member of parliament must seek to uphold at every juncture. Each of us must know in our heart that we stand here to represent our constituents, following a legitimate election process. Each of us has received, under our preferential system, over 50 per cent of the support of the people in our electorate, and once elected—regardless of those who voted for us or otherwise—we represent everybody in our electorate. I know this would seem very simplistic civics to other members in this chamber, and in a lot of ways it is. The member for Melbourne has outlined the quite dreadful circumstance in which the two Davids of the One Nation fiasco have attempted to try and pervert the natural intention of electoral laws...
in this country by registering a party with a
glib slogan against the goods and services tax
simply for the purposes of making money.
They banked a lot of money out of One Na-
tion, and we saw the former member for Ox-
ley face the prospect of jail because she too
was part of the process. As Sir Joh Bjelke-
Petersen once said, if you fly with the crows,
you tend to get shot with them. We should all
be directly alarmed at the development of this
no GST party concept.

That is not what this is about directly, but it
does look at the integrity of those who put
themselves forward to the voters. One would
hope that everybody involved in the political
process is serious in their efforts to offer an
agenda—an alternate government, an alter-
nate manifesto of possibilities for running the
country, the state, the council or whatever
level of government is being contested at the
time. I welcome the development of cleaning
up a couple of anomalies that have existed as
a result of the electronic version of the elec-
toral roll. These are in essence process mat-
ters, things that have been occurring with
other agencies for a long time. Matters that
have been occurring with legitimate political
parties for a long time were highlighted a few
months ago. A political motivation was be-
hind why they were highlighted; nevertheless,
they highlighted the fact that there may have
needed to be a change to the law to process
the legitimate conduct of the political process.

Against this background it is worth noting
my concern about what is happening in my
state of Queensland. Today is the first day of
the Shepherdson inquiry into allegations re-
grading electoral fraud in the state of Queen-
sland. The inquiry is hearing evidence from a
number of people—in particular from Karen
Ehrmann, an Australian Labor Party identity
and one-time state candidate who has been
sentenced to jail for her part in electoral
fraud. In her affidavit at sentencing she said
that she witnessed people forging electoral
forms for the Mundingburra by-election in
February 1996. That is a very serious allega-
tion and, quite rightly, an inquiry has been
formed under the stewardship of Tom Shep-
herdson, QC. I am sure that there will be a
full and thorough investigation into this
whole matter.

But what has happened today I think is
worth noting in the parliament, because it
involves directly some people in my own
electorate and raises in my mind some grave
concerns about how the integrity of the elec-
toral roll—and, therefore, the integrity of the
processes that have led to each of us being
elected—is in fact under great question. It
may well be just a Queensland phenomenon,
where details about the age of the voter have
been known for years, although the matters
before us will make it possible for that infor-
mation to be known right around Australia.
Of course, such information is of great ad-
vantage to those who seek to try to pervert the
natural course of the electoral process.

It is disturbing for me to know that today
Ehrmann said in evidence at the Shepherdson
inquiry that she had witnessed in the office of
Tony Mooney—he is the Labor Mayor of
Townsville, and he was then Labor candidate
in Mundingburra—a Lee Bermingham and a
Craig Wallace, an ex-staffer of one of the
state government ministers in Queensland,
Merri Rose, forging in pencil electoral claim
forms. Ehrmann said that they had wanted her
to witness these documents but she refused. It
is worth noting that staffers are leaving the
Beattie government in Queensland in droves,
in part because of their involvement in some
of these rorts. That is certainly the allegation,
and we are all wondering just how many will
be left.

Ehrmann further alleged that Wallace en-
rolled himself at a Townsville campaign
worker’s home even though he lived else-
where, in the south-east corner of Queen-
sland. He joked that because he had crashed
at this place once perhaps he was justified.
Another person mentioned today in evidence
was a Warwick Powell who made a number
of jokes about their ability to rort the process.
Apparently, this group of three was part of a
process of ringing around the state of Queen-
sland looking for people who agreed to have
their names put forward as enrolled in
Mundingburra for the purpose of the poll.
This, it is suggested, was a standard practice
for the Labor Party to marshal more votes
where and when they needed them.

Suggestions also included that there was an
insider in the Electoral Commission who
tipped off the ALP when postal votes were despatched and a Keystone Cops type approach was adopted, where they raced around letterboxes to retrieve certain rorted postal vote ballot papers so a bogus vote could be cast. If this was Labor’s practice, as is suggested in the evidence today, then it is a matter that should be of grave concern to us. In 1996 the Australian Electoral Commission resisted the use of PO boxes only, without any residential addresses, as a legitimate enrolment. So the Australian Labor Party apparently had to amend their earlier—and far more convenient—practice of rorting postal votes through PO boxes. I guess this explains a lot. The sad part is it perverts the legitimate voters—the people in my electorate, for instance—who legitimately make a judgment based on their own personal values and their own priorities as to how they are going to vote.

What is particularly sad today is that in the Queensland state parliament the opposition attempted to ask a number of questions of the government about the matter of electoral irregularities and three times they were stopped by the Speaker of that place, who had said that matters canvassed by a CJC inquiry could be sub judice and therefore out of bounds. That is what occurred today. In fact, according to the ABC online report, Speaker Hollis said:

I just warn Opposition members if you’re going to continue to try to run the inquiry in this place I will then warn you, I will then warn you.

Opposition leader Borbidge said that that did not happen during the CJC inquiry into the coalition’s memorandum of understanding into the police union. I think Rob Borbidge is right to point out the double standards being displayed by the Queensland government and their parliament. Rob Borbidge, of course, was Premier in a previous government, and his government was subjected to questions from the current Premier, Mr Beattie, but Mr Beattie will not open himself up to the same sort of scrutiny in the Queensland parliament—and it is pretty obvious to me why: because they have a lot to hide. It is quite sad to think that Speaker Hollis should in fact put several opposition MPs on notice that they will be sin-binned if they keep asking questions. I would remind the Speaker of the Queensland parliament, again in a basic civics lesson, that when members of parliament ask questions in parliament they are doing so on behalf of the people. Parliament is the meeting place for the people. It is the place where there are opportunities for the people to be heard and to be able to question the executive, and perverting the role of parliament in this process makes this a very sad day indeed for Queensland.

As I said earlier, a number of these personalities are constituents of mine: Mr Lee Bermingham and Mr Warwick Powell. It is alleged on the first day of the Shepherdson inquiry that they were two key figures in the ongoing rorting of voting by the Australian Labor Party in Queensland, and that means that in my own electorate I have reason to have some great concerns about what has been occurring. So I decided to check on my electronic roll the enrolment of both Mr Bermingham and Mr Powell. Mr Bermingham lives at Annerley with three other people of various ages in the one house, so there are four people enrolled there. Mr Powell also lives at Annerley and also has three other people living with him, and only one other person has the same surname as him. So there is an interesting possibility that they might in fact be very much practising their broad style in my own electorate at their own addresses.

A look around the suburb of Annerley is in itself very interesting, because there are many places there which are small homes and units and it is surprising how many units seem to have four and five people living in what basically are one- and two-bedroom flats. I think the record goes to one house where there are nine people of different names all living in the one house. I look forward to the process that is being undertaken in the Shepherdson inquiry, and I also look forward to the Australian Electoral Commission getting serious about playing an even more outstanding role in assisting in making sure that the roll—in my electorate in particular—is without any doubt fully above board.

Why is it that the Australian Labor Party in Queensland will not allow questions to be asked of them in the parliament? Why is it that one vote, one value does not exist in the
minds of the Australian Labor Party in Queensland? Why is it that media junkie, the Premier of Queensland, Peter Beattie says it is his great shame that his party is being subjected to this sort of nonsense and that he is having to account for these sorts of matters? It is simply not good enough; it is not good enough for the tens of thousands of people in my electorate who do the right thing—who make a judgment and vote once. It is not good enough that the Australian Labor Party think, in some sort of born-to-rule approach, they can rort the rules to try and pervert the natural course of the electoral process. It is undemocratic in the extreme. It is the sort of thing we saw behind the Iron Curtain and in nations struggling to come to terms with democracy, and it is being practised here in Queensland. It is an absolute outrage in the extreme.

I think back to half a dozen years ago when I travelled to Ohio in the United States of America—years before I was a member of parliament. I witnessed the primary election taking place in that state in May 1994. I understood their electoral process to be far above the sort of standard we have in this country. In the land of the free and the home of the brave they are not afraid of asking those who participate in the electoral process—the voters—to sign for a ballot paper. In fact in the state of Ohio the original card filled in by a voter is taken to the polling booth nominated by that voter as being the place where they are going to vote. That form is then shown to the voter, and another form is signed in the presence of an electoral worker and the signatures compared to prove that the person who applied for the vote and the person who claimed the vote are the same person before the vote is cast.

So there are systems involving greater demand on identification and of greater integrity as far as the roll is concerned in existence around the world. I would be optimistic that out of the mess being exposed by the Shepherdson inquiry—and I am sure there is much more to come—we will see a reform to our electoral process here. I am sure that honest Australians will not be afraid of having to go through the process of proving who they are before they claim their vote. Mr Deputy Speaker, you and I both know that on voting day, when we walk up and talk to the polling booth worker and they say, ‘Have you voted anywhere else today,’ that is the only check before a line is ruled through a name on a piece of paper. That is why the electoral roll in an electronic form perhaps holds part of the key to what is to come.

We need to ensure that when the vote is cast and put in the ballot box the person legitimately seeking that vote claims that vote. We also need to make sure that circumstances such as those I have outlined in my electorate, where three or four people in one- and two-bedroom flats and nine people in one house are enrolled to vote, are fully investigated by the Electoral Commission. What concerns me currently in terms of the Electoral Commission’s process is that they write a letter to each of those people to verify that they actually exist—that they are there. All that we heard in the Shepherdson inquiry today suggests that the Labor Party may have an insider in the Electoral Commission, or at the very least are very wise in knowing exactly who has been enrolled in what particular place, and that they have somebody to grab any correspondence from the Electoral Commission. So any letter that the AEC or the Queensland Electoral Commission sends off to anybody is going to be intercepted by those involved in the rort anyway.

I think the matter before us tonight is at the heart of our democracy. It is at the heart of our integrity as a nation. I think the facts that are coming out in the Shepherdson inquiry should be a matter of great shame to all Australians, especially against the background of the Olympics where the cheats were sent home. Why isn’t Mr Beattie acting and dealing with people in his own government in the same way that the Olympic Committee acted with regard to cheats in the Olympics? The cheats in the Australian Labor Party are going to be exposed by the Shepherdson inquiry, and I cannot wait for the day that occurs. The tens of thousands of honest voters in my electorate and millions across Australia deserve that day of reckoning.

Mr DANBY (Melbourne Ports) (9.42 p.m.)—We have just heard a speech which compares individual developments in Queensland with the so-called electoral system in
the former Soviet Union. I think such exaggerations disparage serious charges that individuals are facing in Queensland. Those issues ought to be addressed on their merits and not with gross exaggerations which diminish both issues.

The government’s amendments on this bill and Labor’s proposals for the Commonwealth Electoral Amendment Bill (No. 1) 2000 are broadly in agreement. I particularly want to deal with the second part of the government’s amendments designed to deal with the prospect of multiple front-parties, the No GST Party and No Nuclear Waste Party, floated by the dodgy Davids: David Ettridge and the New South Wales Upper House MP David Oldfield. As the Sydney Morning Herald editorialised recently:

... the new Ettridge-Oldfield parties are artificial, unrepresentative front organisations which, if registered, would be used to siphon preferences from single-issue voters back to One Nation or—in the light of current brawling within the Pauline Hanson party—to each other or elsewhere. This might be undesirable but it certainly is not unprecedented in Australia’s preferential voting system. A more serious concern is that a few unscrupulous individuals could make a lot of money by manipulating the system. Apart from the cost to the taxpayer of registering a party (at least $8,000), registered political parties that win more than 4 per cent of the primary vote in a Federal election are eligible for $1.62 in public funding for every vote.

‘To each other or elsewhere’ and $1.62 per vote are issues that I wish to return to.

We know that One Nation, or a company that Hanson, Ettridge and Oldfield constructed, received $3,061,502 of public money at the last federal election as the result of the 1998 election and the $1.62 per vote formulation. This is the same political party which was found to have fraudulently received Queensland taxpayers’ money, did not have the 500 members which the party claimed to have and for which Ms Hanson has been forced to pay back over half a million dollars to the Queensland Electoral Commission.

Mr Slipper—She hasn’t paid it back yet, has she?

Mr DANBY—That is the point. This has not been the end of that matter. Following further recent fratricide in One Nation, it was revealed that Ms Hanson has failed to pass on more than $200,000 in donations to repay the Queensland Electoral Commission for electoral expenses after the Queensland Supreme Court found One Nation’s registration had been fraudulently induced. Ms Hanson said the fund had received $430,000 in donations and that, after handing over $250,000 of the $502,000 debt to the commission last month, plus $3,500 for its legal expenses, there was $125,000 remaining in the fund. Ms Hanson did not explain what happened to the balance of $51,500. Having raised public money from donations for such purposes, it is even more appalling that they have not, apparently, been passed on to the Electoral Commission for the purpose for which they were intended. Labor has suggested some amendments to the second part of this bill, similar to those made in New South Wales last year, which would increase the number of members needed for registration on a sliding scale by state or territory—in New South Wales it would rise from 500 to 1,000; prevent two or more parties relying on the same MP for registration; allow only federal MPs or senators to sponsor party representation; charge a fee for registration; and force existing parties to comply with membership thresholds and pay registration.

In the wake of the recent applications from the former One Nation David duo to register the No GST Party and the No Nuclear Waste Party, the opposition has urged the government to close the loophole regarding registration of new political parties which the government has aptly labelled ‘phantom’ parties. The application for both these phantom parties relies on David Oldfield’s membership of the New South Wales upper house. The opposition believes that this is a blatant attempt to manipulate the electoral system. It is unacceptable and the loophole which allows such applications must be closed. The government has moved an amendment which would require all new political parties to have at least 500 members regardless of parliamentary representation. Senator Ellison said:

Genuine political parties will have no problems in complying with these registration requirements, which will protect and strengthen the integrity of the electoral system.
While the government’s amendments are a step in the right direction, the opposition still has concerns. I would like to explain the basis for some of our amendments a little further. As the member for Melbourne has already said, the opposition believes that, while a federal member of parliament should have the right to register a political party, it is not appropriate that state or territory members of parliament have the right to register parties at the federal level. The opposition also believes that the same member of parliament should not be able to register two or more parties. Even with the government’s amendment, which would require a new party to provide a list of 500 members, it would not be hard for opportunists to re-present the same list of members under a different party name. Therefore, there also needs to be some safeguard which will ensure that the same names are not used to register more than one party; in other words, some sort of safeguard that will ensure that the members used to register a new political party are genuine, while at the same time safeguarding the privacy of individuals. The opposition also believes that new parties should be required to pay a registration fee—and why shouldn’t they? As Senator Ellison has stated, the estimated cost to the taxpayer of registering a new political party is from $8,000 to $10,000. Ordinary citizens have to pay annual registration for their cars, cats, dogs, et cetera, yet there is no charge for those applying to register a new political party. Surely it is not unreasonable that aspirant political parties should be required to pay a one-off fee that would enable the AEC—in other words, the taxpayer—to recover a fair amount of the cost that goes into advertising these new applications. We also believe that there should be a lower one-off fee for parties which apply to have their name changed. It should be pointed out that the amendments are designed to prevent entrepreneurs in the electoral system that I have described abusing that system.

In the eyes of both the opposition and the government, the applications of the David duo are perfect examples of what can only be described as opportunistic abuse of the system. New South Wales upper house MP David Oldfield, elected on the One Nation ticket, and David Ettridge, the other architect of Pauline Hanson’s One Nation Party, have, as I explained, sought to register two new parties. Ettridge is listed as the secretary and sole member of each party. Official documents to the AEC include a party constitution that lists as its main aim:

To conduct a low maintenance political party devoid of the traditional costs associated with administering large memberships and conducting unnecessary meetings of those members.

A somewhat undemocratic approach, I would have thought. In his letter to the AEC, Mr Ettridge is quite frank about what he would like to do with the two parties officially recognised:

The party wishes to receive electoral funding. That is, the $1.62 per head public funding for every vote that a registered political party receives if it obtains more than four per cent of the primary vote. It all sounds a bit familiar, doesn’t it? A rejection of democratic control with funds and policies controlled from the centre: that was how the two Davids and Pauline ran One Nation, wasn’t it? And it is not only One Nation’s deregistration because of fraud that forced it to take its membership seriously; those members are now voluntarily paying the $500,000 of Queensland taxpayers’ money that One Nation improperly obtained after the last state election. As I suggested earlier, those members should be asking why only $250,000 of the $470,000 that has been raised has been paid back to the commission. Perhaps the most important issue, in my view, is to look at it from the point of view of the motivations of the two Davids in this: is it really politics or is there something else to it?

I think in that area it is instructive to look at Mr Ettridge’s past record. I am particularly indebted to an article called ‘Bad Company’ that appeared in the Australia/Israel Review and from which I wish to quote extensively. This article suggests that, for several years, David Ettridge had an intimate involvement with a secret offshore company in Vanuatu with substantial sums of money paid into it from earnings of Mr Ettridge in Australia. The article says:

At the headquarters of the Vanuatu Financial Service Commission we learned that in September 1993 a company had been registered as Global
World Vision, which saw him paid a commission of 12.5% on the funds raised from the supermarket promotion scheme. During the period that World Vision operated the program some $1.2 million was raised from the venture with approximately $150,000 paid by World Vision to Ettridge in commissions.

John Winkett, Corporate Partnership Manager with World Vision, confirmed that David Ettridge had acted as a consultant intermittently “for approximately three years, until April this year [1997]. I think he had other forms of employment and income as well”. Winkett said that the fees paid to Ettridge by World Vision were consultancy fees, and were “paid to his company Global Communications, in Vanuatu... Winkett also confirmed that the cheques for the consultancy fees were made out to Global Communications and that, in accordance with usual practice for consultants, the amount billed by Ettridge for his work was paid in full—no tax was taken out by World Vision.

According to David Grechan’s of the International Tax Division of the Australian Tax Office, “Vanuatu is colloquially known as a tax haven along with other countries like Bermuda, the Cayman Islands or the Bahamas”.

He said that Ettridge’s business activities appear abusive and the tax office does not take kindly to it, adding that the ATO would be very concerned about the circumstances surrounding Ettridge’s Global Communications company.

It is my contention that the registering of these two political parties has little to do with politics. In the 1960s, Mel Brooks produced a great film called The Producers. In the film The Producers, the star Zero Mostel, the shonky Broadway producer, came across an ingenious scheme together with his accountant who was played by Gene Wilder, another well-known Hollywood actor. The two of them concocted a scheme where they would sell several thousand per cent of a play which had to bomb when it was shown on Broadway. They sold several thousand per cent to elderly people, to people who were vulnerable, and they hoped that the play would bomb on the first night. They therefore had to pick out the worst play that they could possibly find, the play would close immediately, and they would rake in all of the profits from that failed play.

It is my contention that the David duo is like the cast of The Producers and the regis-
The registration of these two political parties is a crooked scheme to take Australian taxpayers’ money and use it principally for the purposes of the two Davids. We have seen the enormous row that has grown up within One Nation as a result of the registration of these two political parties. It is quite possible that preferences might not even be delivered to One Nation. They might be delivered from one party to the other for the purposes of getting them ahead of the four per cent margin in order for those two political parties to receive the $1.62 per vote that they would then be entitled to.

Australian taxpayers remember a similar kind of shonky operation where the members of the so-called One Nation Party had no access or right to access the $3 million of this very bizarre company set up by Ettridge, Oldfield and Hanson. They were able to do that at the last federal election in 1998, and this latest scheme, in my view, is simply an extrapolation of that idea. Having fallen out with Pauline Hanson, the two Davids want to construct another scheme where they are able to farm Australian taxpayers’ money via this registration of political parties.

It is to the credit of this House that members on both sides have moved speedily on this matter. The advice from the Australian Electoral Commission is appreciated to prevent Australian taxpayers’ money being stolen by people who have fraudulently used the names of political parties, seen loopholes in the electoral legislation and sought to take Australian taxpayers’ money for their own ends. I commend Labor’s amendments. I hope that the amendment moved by the government in the second part of this legislation is enough to deal with these two political parties.

I thought it was important to read into the public record at least one of the lesser known activities of one of the major constructors of this scheme to farm Australian taxpayers’ money. And I think that that more than anything, more than politics, is behind this sudden registration of the No GST Party and the No Nuclear Waste Party. These are attempts to use two popular causes for cynical ends by people who are seeking to benefit privately from public money.

Ms GAMBARO (Petrie) (9.59 p.m.)—I also rise tonight to speak to the Commonwealth Electoral Amendment Bill (No. 1) 2000. Maintaining the integrity of our electoral system is vital if we are to retain public confidence in our electoral system and our democracy. Fortunately, the guidelines surrounding Australia’s electoral roll are stringent and historically have provided a fair election as well as privacy for our citizens. We only need to look at the recent elections in the Balkans, and many other countries, to highlight the necessity for strict electoral processes.

The amendments in this bill alter the 1918 Commonwealth Electoral Act so that members, senators and federally registered parties may access a wider range of information from the electoral roll. Most importantly, the amendments allow for the provision of age range extracts from the electoral roll for use in certain approved medical research and public health screening programs. As a member of the health committee, I am highly aware of the importance of such national campaigns to help fight health concerns such as diabetes, cancer and many other health programs. If the amendments before us today help to alert Australians to the importance of screenings and other preventative measures, then they are highly significant and they should be supported by all of my colleagues. Preventative measures such as screening have proven to be effective in identifying illnesses and allowing intervention at a very early stage.

Whilst the Australian Electoral Commission has been providing information for this use since 1993, it is only recent legal advice that has shown that the Australian Electoral Commission requires specific authority to provide age range information for those medical purposes. Tonight the amendments will facilitate the provision of a minimum age range covering two years and allowing the Australian Electoral Commission to continue providing information for medical screening programs. This information will also be used to assist with immunisation campaigns by helping to ascertain determining factors and other information.
I would also like to make the point that researchers must be approved by the National Health and Medical Research Council as well as their ethics committees, and public health facilities must also be approved by the department. But these amendments allow for members, senators and federally registered parties to have access to a wide range of information from the roll including name, address, date of birth, gender, title, enrolment status and electorate. This information has been freely available in Queensland for some years but not in other states. In the case of members, this information will be available for their own electorates while senators will have access to the states they represent, and federally registered parties with more than five representatives or who are organised in more than five states or territories may also have access to this wide range of information.

Further amendments contained in this bill will limit the registration of a political party so that an eligible party must have 500 members. As we have heard from previous members tonight, particularly in the case of the No GST Party and the No Nuclear Waste Party, this is clearly an advantage in ensuring that there is absolute integrity. I have seen petitions being gathered over a number of months for the No GST Party and am quite amazed at where the names and addresses of people who are registered end up. I am sure that it is mailing list fodder somewhere but those people need to be protected and we need to ensure that those parties are formed with the highest integrity. It was very interesting to hear the member for Melbourne speak earlier about the activities of David Ettridge, particularly with regard to offshore companies in Vanuatu. I found it quite fascinating.

Ms GAMBARO—Various activities—be certain was involved in a wide range of consultancy before he entered the political arena. Having said that, there must be integrity, particularly in the formation of parties. People need to know that they are joining a registered and reputable political party with kudos, that is run democratically and that is not some front for some shoddy organisation that is only interested in gathering funds and using those funds in a non-political manner or that is run as a business. Clearly that needs to be remedied and the controls tightened. The particular system of electoral rolls and fraudulent activity is not something new. I remember travelling around the polling booths, as we all do on election day, when I first was elected in 1996 and seeing several people that I had come across at various booths showing up again to cast yet another vote. When I confronted one of these individuals he feigned mental insanity.

Mr Slipper—Voting early and often.

Ms GAMBARO—as the member for Fisher states, it does occur quite regularly. The previous member also spoke about the fact that the electoral roll showed a considerable number of people living in one house or in a small unit in his electorate. I think we need to ensure that the Electoral Commission is able to obtain the correct information and is able to check on the integrity of the roll.

Previously, parties could be registered on a parliamentary party basis. I think everyone would reasonably agree that a party should be able to demonstrate a following of at least 500 members. For a period of six months parties already registered in this way will have an opportunity to meet the new criteria. As I have mentioned previously, integrity and careful monitoring of the electoral roll are essential in a strong democracy. One vote should be just that: it should count for one vote. I know in recent months, specifically in Queensland, that the integrity of the Commonwealth roll is currently being examined. A previous member spoke about the inquiry, referring to the Australian context in Queensland and to the proceedings today and particularly to Shepherdson inquiry. The inquiry into the integrity of the electoral roll is very important. It is important to be able to detect fraudulent enrolment as well as incidents of fraudulent enrolment and there is a need for legislative reform. In my home state, the Criminal Justice Commission is also examining specific issues relating to integrity of the roll. I know that we look forward eagerly to the results of this particular inquiry.

Mr Slipper—Did you see the AAP today? It was amazing.

Ms GAMBARO—I am sure they will be very illuminating, as the member for Fisher
again interjects. This is a very important in-
quiry. The outcome will be eagerly awaited
and I know that—

Mr Sciacca—We should have one in
Toowong as well.

Mr DEPUTY SPEAKER (Mr Nehl)—
The member for Bowman will cease inter-
jecting.

Ms GAMBARO—The member for Bow-
man interjects about another electorate, but I
think there is much to discover in Queensland
at the moment. The cornerstone of a stable
democracy is a fair and honest electoral sys-
tem. I commend to the House the amend-
ments that are before us today.

Mr HATTON (Blaxland) (10.07 p.m.)—I
am very pleased to be speaking on the Com-
monwealth Electoral Amendment Bill (No. 1)
2000 tonight because I think it is an important
and significant bill for every federal member
of this parliament and also for state members
and local councillors. It is important because
there is no more important interaction for any
elected member of parliament than those in-
teractions with their constituents. The funda-
mental basis of that interaction for any elected
member is access to the electoral roll. With-
out an electoral roll that is full and complete
and has up-to-date information and a wide
range of information of increasing depth and
broad range, it is very difficult for a member
to adequately service his constituents and
provide the kind of assistance they need in a
quick and speedy way. It is also difficult for
them to fully comprehend the nature of the
electorate that they serve.

I have been at this game now officially
since 2 January 1985 in my former employ
with the former member for Blaxland running
his electorate office until I was elected on
15 June 1996 as the member for Blaxland.
Throughout that time, I have seen a progres-
sion in the information provided by the Aus-
tralian Electoral Commission to members' of-
fices. I have seen the benefit of having an
electronic roll directly available to members.
In fact, in years gone by, we did not have an
electronic roll, and when they finally pro-
vided it to us, the updates month by month
were provided, as you would remember. Mr
Deputy Speaker Nehl, on great reams of
computer paper. I well remember one par-
ticular time when I was organising a mail-out
to new electors. I had to manually take 4,000
people off the electronic roll that we had and
then manually enter 6,000 new electors—
their full name, their full address, individually
for each one of those. It is no surprise that I
ended up with RSI because of that and the
other series of updates that happened. It was
therefore a great joy to me when the AEC
moved forward technologically to give us
updates on floppy disks. It was an even
greater step when the AEC moved forward to
providing the information on CD because
when they did so the full electronic version
available to members gave us quick and easy
access to our whole electorate in a format that
was concise and easy to use.

That step was important not only for mem-
bers and their staff but for the constituents
themselves, and I will give a practical exam-
ple of that. Every member has an approach
from members of the public like this. They
have a problem. They do not know who to go
to see. They are not sure whether it is a coun-
cil, state or federal issue. They approach a
member’s office, and it is important quickly
for that member to say that it is a council
problem, a state problem or a federal problem
and, if it is a council or state problem, to di-
rect them to their ward alderman at council
level or to their state member of parliament.
One of the things that this bill seeks to redress
in version 46 of the information system alli-
ance is the current lack of information about
what state district or council ward an elector
is in. If you know the electorate well enough
and you can look at the map and say, ‘You’re
in the North Ward’ or, ‘You’re in the seat of
the member for East Hills’ or ‘You’re in the
seat of the member for Auburn,’ that is okay,
but it is sometimes important to go straight
into the database so you can be absolutely
specific when people are on the borders and
so on and you can direct those people to
where they can get ready help.

Currently, no federal member of parliament
has that information available to them. Why
is that the case and why do we have this
Commonwealth Electoral Amendment Bill
(No. 1) 2000 before us today? It arose from
the situation of the Prime Minister wanting to
send a personalised letter with GST informa-
tion out to all households. The Australian
Taxation Office bought a copy of the Com-
monwealth electoral roll with name, address and gender information organised by family grouping. They then proceeded to organise the Prime Minister’s letter and were about to mail that out to eight million families in Australia. However, legal advice came through from the Commonwealth Solicitor-General that the past practice, particularly since 1993, that the Australian Electoral Commission had relied upon—where section 83, I think, of the act said that what was available to federal members and also other Commonwealth bodies was the first name, the second name, the gender of the person on the roll as well as other prescribed information—was questionable. The Solicitor-General advised in fact that they were not capable of doing it because the act was not specific enough—that is, it was not written down what specific information could be provided. It is one of those cases where the Electoral Commission had provided information to members and to other Commonwealth bodies with the best will in the world and in good faith, but there came a point in time where what seemed to be right was in fact brought into great question. So this bill has generated out of that change in perspective because of the different legal opinion that was given.

These amendments to the act go to restore the past practice, and it is only very recent past practice for federal parliamentarians because not that long ago all that we had were name and address, and gender and a title if you were lucky. In Queensland for many decades, there was age information on the roll, but I think from about 1984 that was prescribed at the federal level. From 1993 on, that started to become a possibility, and in fact only very recently—I think in about update 43 or 44—were we able to get age specific information.

Mr Deputy Speaker Nehl, I think it is enormously important that not only do we have a sound, full and complete roll but also people understand that the electoral roll is a very dynamic document, as you would understand from your experience in your electorate, and certainly as I understand from my experience in the electorate of Blaxland. Between one election and the next—and this is almost impossible for people to believe—there can be a change of almost one-third of the electorate. In a relatively stable society, why is that so? One of the reasons that it happens is that people move within the electorate. They move from one suburb to another. For example, in the electorate of Blaxland they may move from Punchbowl to Georges Hall. Or people may move from an outside electorate into the electorate of Blaxland. It also happens that new people come onto the roll because they come of age at 18—they are pre-enrolled at 17. And people get married, and therefore change their names, and that is an amendment to the roll. Currently, without these changes in this bill, that information is not provided to me, and it is not provided to other members. I think in order to do my job properly, and in order for other members to do their jobs properly, we actually need that information.

I will go specifically to some of the other pieces that I think are very important; the lack of them actually impedes federal members in trying to service their electorates properly. Date of birth information is very important. Every federal member will know, except for Queenslanders who had this information before them, that, if you really want to assist people of pensionable age within your electorate, no matter how good your relationships are with pensioner groups, no matter how forthcoming they may be in telling you who their members are—and it is always a bit difficult to get membership lists and so on—it is important to identify those people and then to attempt to assist them by providing information, for instance about the Commonwealth programs in relation to the appropriate use of pharmaceuticals. It has been an increasing problem for many years that aged people have vast cupboards full of old medications. There is not enough appropriate advice from doctors or from nursing people. In a society swamped with information, there is not enough targeted advice. The age information assists a member to draw to the attention of aged people in the community issues such as that and to direct them to pensioner groups or appropriate information services provided by Commonwealth departments or local doctors to enable them to manage their own health care more appropriately. It is not something that might readily spring to minds of others, but to fed-
eral members it is important to be able to provide specific information to people who will be most helped by it.

One of the other elements that are involved here—the census district—has been available to Australia Post. It has been available of course to the Commonwealth Statistician, and its availability to federal members is of great significance, because you can break the electorate down to the census district level. You can use corollary information from the actual census itself to better understand the framework and the make-up of your own electorate, and therefore understand more deeply those people—their financial backgrounds, their ethnicity, languages used at home, the number of single-parent families or the simple spread of age ranges within the community. It is only when you have a full range of information that you can get a better picture of just what you are dealing with, and you can then therefore better represent your community, rather than simply relying upon what other people tell you about what is happening within it. So that is a vital piece of information that is currently not there. On both sides of this parliament there is general agreement that this information is important and useful not only to members but also for members to be able to serve their constituents better.

One of the other details refers to general postal voters. Every member of parliament, particularly those who have a high proportion of aged people in their community, knows and understands that at election time the electoral process can be traumatic for people who are aged and infirm. If they are not preregistered and they are not on a general postal voter list, it can be very difficult for them. They can struggle to get to the election booth on the day, or they can attempt to go through the postal voting process from the beginning, which can be very difficult for people struggling to manage their affairs as readily as they used to be able to. The provision of general postal voter information does two things: it alerts members to those people who have already signed up to that service from the Australian Electoral Commission, and, importantly, it says that those 300 or 500 people are adequately catered for. But there are more people in the community that the member can speak to—in retirement homes and nursing homes and, more broadly, through the organisations in a community—to inform them that, under the specific provisions allowed for in the act, if they are infirm, disabled or have impossible difficulties in getting to booths to exercise their right to vote, they are able to sign up as general postal voters. It is important to know who has applied for a postal vote and to explain the advantages of a postal vote to those who are eligible; it can save them a great deal of angst.

The next couple of measures actually deal with a person enrolling for the first time or a person’s previous enrolment details. They are very important in terms of people moving within an electorate or moving into or out of an electorate, because electorates are dynamic. The roll is a dynamic entity; electorates are dynamic entities; you cannot just take a shot in time. And that is what we had prior to the provision of the roll electronically. We had one roll at election time. If you were lucky in those days you would get a roll per electoral booth. So, at the general election in 1983, we had 29 of those, but that was it. We did not have information that was full or up to date, apart from that.

Being in a situation now where we are provided with a full electronic roll, where there is a full amount of information available to us and it is specific, we can direct people to their ward alderman to help them to sort out their problems at local council level and we can direct them to their member of parliament. In my seat of Blaxland I have five state electorates. It is important that people go to the correct state member of parliament to deal with state matters. We have before us a set of specific proposals to amend the act—to make it what we thought it was before the Prime Minister attempted to send out a letter through the Australian Taxation Office. The Australian Electoral Commission thought that all of this information could be rightfully and properly provided to members of parliament for the service of their electors, but that was not the case. The point and purpose of this legislation, under item 5 in the explanatory memorandum, is to give these basic building blocks back to members legally so that they can fully carry out their functions as mem-
bers, so they can understand their electorates better and represent them as well as they can.

I commend the bill to the House. As a federal member of parliament, I think it is significant legislation. I know, from long experience, how important it is to fully understand the fabric and nature of one’s electorate and to fully understand how dynamic the roll and the electorate are. I know how important it is to stay up to date with the changing fabric of the electorate. To do this, it is important that the major political parties in Australia, based across the Commonwealth and with a long tradition of serving their constituents, are not hampered by the one issue parties that members have spoken about. By becoming registered as political parties they gain access to all of that deep information that is available on the electoral roll and they can misuse it. Every member of a registered political party has a great and full responsibility to use this roll properly and within the guidelines that have been provided by the AEC. Where that is traduced it needs to be stomped on extremely hard.

There has been a great proliferation of small issue parties. There are about 70 all up at the moment. It is expected that if the Labor amendments are accepted the number will probably be chopped in half. If the government chooses to accept Labor’s amendments, we would not have a political situation where organisations without any real basis or following and with very small numbers, or trumped up numbers, can get a guernsey. I refer the Parliamentary Secretary to the Minister for Finance and Administration to the fact that what Labor’s scheme runs to in terms of its amendments is a sliding scale based on a determination of how many people there are in a territory or state. For instance, in the ACT and Tasmania, we are looking at a smaller number of people being involved in a registered political party, whereas for New South Wales the number will be much greater. I point out to the minister and the parliamentary secretary that we propose that there should be 100 members when there are 200,000 or fewer enrolled voters.

Mr Slipper—Those amendments have not been circulated.

Mr HATTON—I understood that they had. I apologise, Parliamentary Secretary. As I understand it, we are foreshadowing the amendments in this place and are seeking to move them in the Senate—so you will have some foreknowledge of them. We suggest there should be 250 members in a state or territory when there are between 200,000 and 500,000 enrolled voters—such as in the ACT and Tasmania—and we propose that 1,000 members should be in a registered political party when the state has more than 500,000 voters. There will be a sliding scale relating to the number of electors and a sliding scale relating to the coverage of political parties. It is our contention that, properly considered, this will help to safeguard the democratic political process in this country. This measure, combined with the measures that both sides of the parliament support—to put back in place what the Australian Electoral Commission and parliamentarians thought was prescribed within the bill—will allow ongoing political parties with a real representative force and their members to represent their electorates as best as they can and to maintain the dynamism within electorates and within the roll.

Debate (on motion by Mrs De-Anne Kelly) adjourned.
closed a number of branches in suburbs surrounding my electorate. As they are in the electorate of my colleague the member for Grayndler, I probably should not mention them. There are at least two or three branches there that they have closed. When you consider, Mr Speaker, that the Commonwealth Bank’s slogan is ‘Making it easy for you,’ they certainly do not seem to be doing too much to make things easier for people who were their customers.

Mr Baird—You privatised them.

Mr LEO McLEAY—It just goes to show, doesn’t it, that you should never trust the private sector. That is your problem, my friend, when you decide to privatise Telstra. Very dumb idea. Take heed of what has happened to the Commonwealth Bank, because that is what happens when you privatise government operations.

The Commonwealth Bank says it is making it easier for you. One of my constituents who was one of their customers came in to see me last week—an old lady called Mary Hill. Mary Hill lives at 12 Fowler Avenue, Bexley North. She is at the tender age of 94 years. She has been a Commonwealth Bank customer for probably 85 years. She first got her Commonwealth Bank membership at Lithgow when she was a very young girl. She has been a faithful Commonwealth Bank customer all that time. What they have told her now is that, if she wants to access her accounts in the normal way, she can go down to the Kingsgrove branch. They tell her that Kingsgrove is only 1.3 kilometres from where she lives. But the trouble Mary Hill has is that, being 94 years of age, even though she is very spritely and very active, stairs seem to be a bit of a problem. The railway stations at Bexley North and Kingsgrove have very, very long flights of steps. One might say she could drive. She does not drive, and at 94 years of age that is probably sensible. She could probably walk, because she is a very fit lady, but to walk a kilometre there and a kilometre back would probably be a bit much to ask as well.

As far as the Commonwealth Bank is concerned, Mary Hill is probably just another one of those long-suffering customers who unfortunately has got in the way of business. But to me, Mary Hill is the human face of what happens when banks like the Commonwealth Bank decide that for their own bottom line purposes they are going to willy-nilly close branches. They were kind enough to send me a map that showed me that there were seven branches of the Commonwealth Bank in my electorate. But there used to be nine. I suppose in a few years time there will be five, and then there will be three, and then, if you decide to use one of these phone banks or the ATM, you will be lucky. But, as Mary Hill said to me, at 94 she thinks queuing up at an ATM where someone might mug her is just a bit much for the Commonwealth Bank to ask.

I think that Mary Hill and all those other people who have been disadvantaged by the Commonwealth Bank ought to look at the campaign that is being run by the financial sector union to take a message to the Commonwealth Bank at their next AGM so that the Commonwealth Bank gets to understand that it is not just the shareholders but also the customers who are important in an organisation like this. I would have thought a customer like Mary Hill, 94 years of age, who has had a Commonwealth Bank account for about 85 years, is a customer you should take into account and listen to. If you want to make life easier for Mary Hill, you leave the Bexley North branch of the Commonwealth Bank alone. (Time expired)

Olympic Games

Mr BAIRD (Cook) (10.33 p.m.)—I rise tonight to speak on the question of the very successful Olympics that Sydney hosted. It is now 10 years since I chaired the committee to decide whether Sydney would bid for the games for the year 2000. At the end of that period we decided that yes, we would proceed with the bid. When we went out to that abattoir site at Homebush Bay, it was a very long way from what we see there today. The very successful games are far beyond the strongest expectations of those who were on the committee at that time.

I wish to add my congratulations to those which have been offered to all who were involved in the games. It is true to say that the games represented a significant turning point in the affairs of Australia, a time at which we
assumed confidence and once more demonstrated the fact that, if Australia decides to do something, if Australia believes in something, Australians can do it better than anyone else in the world. It was not surprising to me that when Juan Antonio Samaranch stood up to comment on the games he said they were the best games ever—and so I believe they were. Certainly that was the impression of many IOC members that I spoke to, many of whom I know had voted that Sydney get the games. When asking them what their impression was of the Sydney Games, without exception they said it was beyond their expectation; it was everything they had hoped for and then some.

Yesterday the New York Times said:

After the commercial excesses and failures of technology and transportation in Atlanta, the Sydney games revived the idea that the Olympics can be organised smoothly on a vast scale and they remain within the reach of ordinary people. Hundreds of thousands of spectators were transported daily with minimal inconvenience and 47,000 volunteers greeted those attending the Olympics with unremitting friendliness and humour. No other city could provide a more exquisite backdrop to the hosting of an international sporting event. More than anything these games restored a common touch and sense of fun to an Olympic movement viewed by many to have been made inaccessible by an aloof arrogant leadership.

I want to support those comments. The IOC made several comments in particular. Firstly, they said that the games were magnificent, superb, better than any other Olympics, the best ever. Their comments related to firstly the volunteers. Patrick Hickey, the IOC member from Ireland, said that, when he was doing the broadcast back to Ireland, people asked him what was the most impressive thing to him in the whole games. He said it was the spirit of the volunteers, which swept the whole event. He said that to him was the most significant aspect of the games. And so it was. There were 40,000 volunteers who selflessly gave their all to making these games a great success. The way in which they greeted everyone with great friendliness was absolutely superb.

Of course, people also commented on the crowd support. Whether the Australians were playing or other teams were playing, they were there to make sure the athletes did their best. That was a great scene. Not only did we have our own parochial support and not only did we give our best to the Aussie athletes; we showed incredible support to those who came from other countries.

The third aspect people commented on very favourably was the facilities that were constructed for the particular events. People said they were certainly the best that they had seen in any Olympics. This was the fifth Olympics that I have attended. I would say that far and away it was the best athletes village and it was the best hockey facility I have seen. And there were the aquatics centre and the main stadium. We had more seats than any other Olympic Games. The facilities stand out in terms of the excellence which they provided for the public and for the spectators. Finally, the transport was exceptional. People had concern, but when we compare it with Atlanta the system worked very well.

My congratulations to the Australian athletes. Fifty-eight medals is a great performance. I mention also John Coates in the leadership of the athletes, Michael Knight, Sandy Hollway, Jim Sloman, Bob Elphinstone, Bob Leese, Margaret McLennan, the tram drivers, the bus drivers and the police. All contributed to the success of these games. It was a turning point. It was very significant and it showed that we can do something of excellence if we set our mind to it. Mr Speaker, all I can say is: Aussie, Aussie, Aussie! Oi, Oi, Oi! (Time expired)

Hospitals: South Australia

Mr COX (Kingston) (10.38 p.m.)—The crisis in our public hospitals continues to worsen. Tonight I want to draw attention to the number of patients waiting more than a clinically desirable amount of time for elective surgery. Across the Adelaide metropolitan area, the number of patients on the list for elective surgery waiting more than 12 months has grown steadily in recent years, both in absolute numbers and as a proportion of the total waiting list.

In March 1998, there were 567 patients who had been waiting longer than 12 months for surgery. By March 1999, that number had grown to 601. Over the following 12 months to March 2000, it almost doubled to 1,167.
The latest figures I have been able to obtain show it continuing to grow strongly, reaching 1,348 in June and 1,409 by July 2000. We are now looking at a situation where around one in eight patients requiring elective surgery wait more than 12 months.

The South Australian Department of Human Services breaks waiting lists into urgent, semi-urgent and non-urgent categories. Urgent cases are to be admitted within 30 days, semi-urgent within 90 days and non-urgent to be admitted at some stage in the future. In March 1998, seven per cent of urgent cases had not been admitted within 30 days. By March 2000, that had grown to 15.4 per cent. There has been similar growth in the number of semi-urgent cases not being admitted within 90 days. In March 1998, 11.7 per cent of semi-urgent cases had not been admitted within 90 days. By March 2000, that figure had grown to 20.2 per cent, although it moderated to 15.4 per cent in June.

So we have seen a significant deterioration over the last couple of years across metropolitan Adelaide in the proportion of patients waiting longer than is clinically desirable for urgent and semi-urgent elective surgery. Because it is the principal hospital serving my electorate, I want to focus on Flinders Medical Centre. In August, FMC had 2,002 patients on its waiting list for elective surgery. Of those, 127 cases were urgent and, based on the average experience of the patients who had received surgery in the last two months, they faced a wait of 27 days; 348 cases were semi-urgent and, on the same basis, faced an average wait of 105 days; and 1,527 cases were non-urgent and could expect an average wait of 264 days. However, I point out that 292 of those non-urgent cases were waiting for plastic surgery, such as tattoo removals. If you exclude plastic surgery, the average waiting time for non-urgent elective surgery has been 191 days. What these weighted averages show is that, with limited resources, FMC gives priority to urgent cases that are dealt with as expeditiously as resources allow. However, waiting times for semi-urgent elective surgery are often longer than is clinically desirable. Waiting times also vary for different types of surgery.

I want to draw attention to some types of surgery where waiting times at Flinders are in excess of the standards for urgent, semi-urgent and non-urgent cases. Average waiting time for urgent cardiac surgery that had been only eight days in August 1999 had increased to 55 days in the two months to August 2000. However, in August 2000, there were only two patients on that waiting list. For semi-urgent cardiac surgery, average waiting time had increased from 77 days in the two months to August 1999 to 123 days in the same period to August 2000. At that time there were 80 patients on the list for semi-urgent cardiac surgery. In August 2000, there were nine patients on the waiting list for urgent colon and rectal surgery. In the previous two months, patients treated for those types of conditions had experienced an average wait of 45 days. In August 2000, there were 11 patients on the waiting list for semi-urgent general surgery; the average wait of recently treated patients had been 239 days. In August, semi-urgent plastic surgery had 63 patients on the waiting list; recently treated patients had had an average wait of 137 days.

Labor’s solution to these problems is to increase the real level of funding to our public hospitals. That is why Kim Beazley recently signed a Medicare alliance with the four state Labor Premiers and four state and territory Labor opposition leaders. The Medicare alliance commits Labor to negotiate a common commitment by both levels of government to a decade of real growth in public health funding to provide for population growth, ageing, increasing demand and the rising cost of health care. That is Labor’s priority: a long-term commitment to properly fund our public hospital system.

**Grey Electorate: Radioactive Waste**

Mr WAKELIN (Grey) (10.43 p.m.)—The issue of low level radioactive waste has figured prominently in my region for too long, particularly in the last four to five years. It is the case for many, if not most, Australians of ‘not in my backyard’. That is, we have created this material—this low level radioactive waste—and it seems that nobody or very few people in Australia really want to own it. Nevertheless, this government has faced up to
its responsibilities and is endeavouring to make decisions based on the national interest.

It is worth while reminding the House that, in the previous 50 years or so of this waste being collected—I think it amounts to somewhere near 600 cubic metres—the Australian Labor Party, whilst in government in the early 1990s and around 1994-95, transferred much of it to Woomera in my electorate. As I recall, it was a fairly expedient move, based on a decision of the New South Wales Environment Court relating to the area around the Sutherland shire. As I have said, much of this material was transferred to Woomera.

We do know, and it is on the public record, that this low level waste in particular and some intermediate waste is stored in up to 50 urban sites all over Australia. It has come to my attention that the South Australian state Labor leader, Mr Rann, is opposed to any such national repository in South Australia. I understand that he is prepared to consider each state looking after its own low level waste. I ask Mr Rann: if that were the case, where would he store the low level radioactive waste? Would he put it in New South Wales or in Western Australia or would he accept South Australia’s responsibility and store the South Australian component in South Australia? I understand that he is prepared to consider each state looking after its own low level waste. I ask Mr Rann: if that were the case, where would he store the low level radioactive waste? Would he put it in New South Wales or in Western Australia or would he accept South Australia’s responsibility and store the South Australian component in South Australia? I understand that he is prepared to consider each state looking after its own low level waste. I ask Mr Rann: if that were the case, where would he store the low level radioactive waste? Would he put it in New South Wales or in Western Australia or would he accept South Australia’s responsibility and store the South Australian component in South Australia? I understand that he is prepared to consider each state looking after its own low level waste.

My electorate is not happy about it, but it will endeavour to understand the issue because it accepts that this material must be dealt with effectively. I think most Australians acknowledge that, but I am disappointed that so many Australians are more inclined to the ‘not in my backyard’ syndrome. At the very least, I would ask the government to consider infrastructure financing for my region when we get to the decision making process about where that store should be. Most Australian taxpayers would acknowledge that, if they are not prepared to have it in their region and if another region, particularly based on science, is found to be the best spot, the government should look favourably upon that.

**Member for McEwen: Petrol Prices**

Mr KELVIN THOMSON (Wills) (10.46 p.m.)—Back on 1 March this year, the member for McEwen, Fran Bailey, was reported in the Diamond Valley News as achieving a great triumph concerning the important issue of the GST and petrol taxes on behalf of her voters. She stated breathlessly:

I have obtained an assurance from the prime minister that the government’s promise will be honoured, and I intend to see that it is.

Just in case anyone has forgotten what the government’s promise was, it was that petrol taxes would not rise as a result of the GST. Let me repeat: the government repeatedly promised pre-election that petrol taxes would not rise as a result of the GST. The member for McEwen was further quoted in the Diamond Valley News as follows:

Ms Bailey said an excise fall would allow the application of the GST without a pump price rise.

She said if such a formula was too complex to set or manage, the government should consider not applying the GST to petrol.

I repeat: not applying the GST to petrol. Just in case you missed it, what effect did the GST have on petrol taxes? Did the government keep its election promise that petrol taxes would not rise as a result of the GST? No, it did not. With petrol at 90c per litre, the GST is 8.2c per litre. As the government dropped excise by only 6.7c per litre, petrol taxes increased by 1.5c per litre on 1 July. They then increased by a further 0.6c per litre on 1 August, so motorists were paying 2.1c per litre extra in petrol tax by then. Of course, it gets worse. For the first time, country motorists are paying higher petrol taxes than city motorists, and every time the petrol price goes up the GST goes up and the government’s petrol tax goes up. Motorists paying $1 per litre are paying 3c per litre more in total petrol taxes than they were before the GST.

What has the member for McEwen done to ensure that the personal assurance that she had from the Prime Minister was going to be honoured? She was quoted in the Diamond Valley News as saying:
... the fuel excise should be frozen if OPEC continued to push up world fuel prices.

Good grief! How much higher do world fuel prices have to go before the member for McEwen will accept that action is needed? The Diamond Valley News even managed to get out of her the words:

Other aspects of petrol taxation also needed to be examined ...

It is pretty vague stuff. There is not a word in here about the impact of the GST on petrol taxes, not a word about keeping the Prime Minister to his assurances and no suggestion that she is actually doing anything about the issue at all. There have been no letters, no public representations to the Prime Minister or other ministers, no statement in the parliament, nothing in the party room, not even a whiff of behind the scenes lobbying—just some vague references to excise next year when motorists are burning now and need relief now and the government is profiting from ever higher petrol taxes as petrol prices increase.

The member for McEwen is noisy in McEwen but silent here in Canberra on the issue of the GST and petrol taxes. She is fearless in McEwen but a mouse in Canberra. She is not afraid in McEwen but afraid of everyone in Canberra. The people of McEwen who put their trust in Ms Bailey and in the Liberal government at the last two elections are learning to their cost that they have not only a Prime Minister who places no value on his undertakings and promises but also a member who places no value on hers, a member who has stood by and looked the other way while petrol taxes rose and the personal assurances she received from the Prime Minister merely served to make her look ridiculous. McEwen deserves better. McEwen deserves Labor’s Andrew Macleod, who does think promises matter and who does think the Prime Minister’s promise that GST would not increase petrol taxes should be honoured.

Lindsay, Hon. Robert William Ludovic, OBE

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (10.51 p.m.)—I rise tonight to pay my respects to the late Robert William Ludovic Lindsay, who was a member for Flinders—in fact, the predecessor to my predecessor, Phillip Lynch. Bob Lindsay was the member from 1954 to 1966.

He was born in Norwich in England in 1905 and was a distinguished member of the House of Representatives. He was very much of a different age. Bob Lindsay was educated at Eton College before going on to train for military life at the Sandhurst Royal Military College. As a very young man, he saw the ravages of the Great War. By January 1925, he was commissioned into the Grenadier Guards of the British Army at the age of 19. He was seconded to the Trans-Jordanian Frontier Force, commencing his service there in 1930, at the time of the Great Depression. He was there for four years. When he retired from military life in September 1937, he held the rank of captain.

He was then recalled for service for World War II. He was recalled from the reserve and went on to serve with the Grenadier Guards throughout Europe and the Middle East. By 1943, he had risen to the rank of Brevet Major.

When he came out of the military in February 1946, his thoughts turned to making a more permanent home and his thoughts turned to Australia. His mother was Australian and he had partly grown up here. It is a mark of his great love for Australia that he made it his permanent home. He married his wife Rosemary and they raised a family.

His son Ian was able to carry on the family tradition by flying the Liberal flag as a candidate in the 1980s in the seat of Burke. It was my privilege to support Ian on the campaign trail.

As a member of parliament, Bob Lindsay was a champion of several causes. Foremost, he was a staunch believer in democracy, and in the parliament he was a vigilant voice against the evils of international communism. In fact, I am led to believe that he served as President of the South-East Asian Anti-Communist League for around a decade. As he said in his maiden speech, this was a menace that threatened to revisit world conflict on a scale that he had only just recently experienced in World War II. He put it in his maiden speech, where he said:
Since we won World War II, nearly ten years ago, an even darker shadow has been moving closer to us and to all lovers of freedom in the world. To prevent a similar pattern of conquest, we, together with others, may eventually be compelled to take a firm stand—even if there should be a risk attached to it. Individual strength and collective security will probably prove to be the solution ...

His parliamentary career covered many of the years of the Menzies government. That was a government that provided Australia with good government. Having seen the ravages of the Depression and the disasters of World War II, Bob Lindsay was with a group of Australians who put Australia on a course for prosperity and improved living standards and many of the material foundations which give us the excellent standard of living that we enjoy today. He was a great supporter of Menzies and, in his words in the chamber and by his actions, he was one of those who ensured stability of leadership in Australia and, thus, good government.

As a parliamentarian he was a great champion of those who are disadvantaged. He had a particular interest in the circumstances of disadvantaged veterans and also in pensioners in the community. As he said, referring particularly to veterans:

... it was their indomitable spirit which enabled them to lay the foundation of the position in which we find ourselves to-day.

He was not reticent about identifying inadequacies and anomalies in the pension system, making some observations that were forerunners to today’s debate about poverty traps.

I was fortunate to be able to attend the funeral. His cousin Sir Rupert Clarke gave a fine eulogy to the career of Bob Lindsay. He was from a different era but Bob’s life epitomised many of the great values which give Australia its many great qualities today.

I wish to express my condolences to his wife Rosemary, to his family, to his sons and to his grandchildren—who are too young to know him but who should know what a great man Bob Lindsay was.

**Lalor Electorate: Point Cook Air Base**

Ms GILLARD (Lalor) (10.56 p.m.)—I rise to speak on an important issue in my electorate, about which I have had an opportunity to talk to this House before but in relation to which a number of developments have occurred, and that is the future of the Point Cook Air Base. I rise particularly to press an invitation that the Minister for Defence would have received from the City of Wyndham to come to the area at Point Cook and to discuss with local stakeholders in the Point Cook site the future of the site. When I mention the local stakeholders, I am speaking about a group that has been meeting continuously over the last six months to try and assist with determining the future of that site. That group has included both of the local councils—the one that houses the site, the City of Wyndham, and the one that is adjacent, the City of Hobsons Bay. It also includes a not-for-profit company which has been formed to try and preserve Point Cook and its heritage—that is, Point Cook Operations Ltd—and RMIT, which runs a very profitable and large flight training school out of Point Cook. It also includes a number of civil commercial operators and joy-flight operators, private operators, who just fly their planes out of Point Cook and who enjoy doing that. That group, under my auspices, has been meeting for the last six months to try and develop a comprehensive plan which would save Point Cook and keep it open for aviation.

Some who are not familiar with the Point Cook site might be wondering why this is an important issue. It is a very important heritage issue nationally. For those who do not know, Point Cook is the oldest aviation strip in the world that is still functioning as an airfield. Planes have been flying out of Point Cook since 1913, and Point Cook is the birthplace of our air force, of the RAAF. It was the take-off point for the first east-west crossing of Australia; it was the take-off point for the first north-south crossing of Australia; it was the take-off point for the first circumnavigation by air of Australia. All of this wonderful history is recorded and detailed at the RAAF museum which is at the Point Cook site.

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It is also a wonderfully scenic site because the heritage buildings have been largely preserved. There are hangars that date from 1914—you can wander around and see how the hangars were built then. There is housing that relates to about the same period that is still in pristine heritage condition, and all of
this is on a bayside site. So it is a perfect site on which to retain and honour our heritage by keeping planes flying out of there, but it is also a perfect site for a tourism development. The Commonwealth, in its wisdom, has decided that the site is surplus to the requirements of the RAAF and to the defence forces generally—that it is not actually needed for Defence Force purposes.

Mr Cox—They just want to sell it.

Ms GILLARD—They do just want to sell it. In contradistinction to the Commonwealth’s present intention of just selling it and maximising value, we do have a community based plan which would see it preserved and see it used for a community based tourism venture. I would strenuously urge the minister to come and talk to us about that plan directly.

Mr SPEAKER—Order! It being 11.00 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

REQUEST FOR DETAILED INFORMATION

House of Representatives Chamber: Australian Flags

Mr Martin Ferguson—to ask Mr Speaker:

(1) What is the basis of the practice of changing the Australian flags that hang in the House of Representatives each sitting day, what is the cost of each flag and how much has it cost for each of the last five financial years.

(2) Is he able to say whether the same practice of changing the flags applies in the Senate; if so, what has been the cost of changing the flags for each of the last five financial years

NOTICES

The following notice was given:

Mr Slipper to present a bill for an act to provide for the use of information provided under the Commonwealth Electoral Act 1918, and for other purposes.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Australian Defence Force: Army Reserve
(Question No. 1388)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 6 April 2000:

(1) Does the Government remain committed to a target strength of 26850 for the Army Reserve in 1999-2000.

(2) How many reservists with training obligations are there in the Army Reserve at present.

(3) How many Army reservists are currently designated as being effective because they are totally fulfilling their training obligations.

(4) How many Army reservists are currently designated as being ineffective because they are not fulfilling their training obligations.

(5) What guidance, if any, has been given to unit commanders to encourage reservists who are not meeting their training obligations to resume doing so.

(6) What guidance, if any, has been given to unit commanders to take action to remove from the books of the Army Reserve those reservists who consistently over an extended period of time fail to attend required parades and training exercises.

(7) What is the methodology that is used at present to allocate annual quotas of training days to individual Army Reserve units and does this methodology specifically take into account the number of personnel who are, and who are not, meeting their training obligations.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The target strength for the Army reserve of 26 850, representing the planned upper limit, was derived as a result of the Army in the 21st Century initiative. This initiative was designed to satisfy previous strategic guidance and has little meaning in the current environment. Noting that the current FY 2000-2001 Portfolio Budget Statements have reported a revised requirement of 22872 reservists, the future strength of the Reserve has yet to be determined and will be influenced by three key initiatives:

Firstly, the Howard Government has indicated its intention to enhance the ability of the ADF Reserve forces to contribute more effectively to the delivery of military capability. In 1999, the Prime Minister directed the Chief of the Defence Force to bring forward recommendations as to how this might be achieved. On 14 December 1999, the Government agreed to extend the options available to Government for using the ADF Reserves to include warlike, peacekeeping, peace enforcement, humanitarian assistance, civil aid, and disaster relief operations. In supporting these amendments, the Government also agreed to put in place appropriate protections for both Reservists and their employers.

It is intended that the amended legislation will address four main matters:

. To extend the options for calling out members of the Reserve;
. To provide a modern, streamlined code of protection to both Reservists and their employers;
. To put in place appropriate employer support mechanisms; and
. To overhaul and modernize the organization and structure of the ADF Reserves.

Inter-departmental consultations are underway to deliver the proposed amendments to legislation by the end of this calendar year.

Secondly, throughout 1999 and 2000, Army has been progressing a study into Reserve Roles and Tasks. This study will confirm the strategic rationale for Reserve forces and subsequently identify how many Part-time soldiers are required, and what organisational structures they should be grouped into, to perform specific tasks in support of Defence objectives. The Reserve Roles and Tasks Study will conclude later this year.
The third area of reform relates to the quality of the training which each Reservist experiences. As a consequence of the Common Induction Training scheme, all soldiers, full-time and part-time, are trained to a common standard at recruit level. This provides a sound foundation for subsequent training and enables a more efficient process of transfer between the components. Army has proven the benefits of this scheme during the recent expansion program to enable sustained operations in East Timor.

This Government remains committed to an effective and robust Reserve component of the Australian Defence Force. In combination, the initiatives which have been outlined will deliver a better organized, better trained and more employable Reserve than at any time in the history of this nation.

(2) The Australian Army Reserve is broken up into a number of components within the part time force. Three of these have training obligations. These are: Regional Force Surveillance List (RFSL), General Reserve (GRES) and General Reserve Special Reserve (GRSR).

Totals are as follows:

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<tr>
<td>RFSL:</td>
<td>428</td>
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<tr>
<td>GRES:</td>
<td>16549</td>
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<tr>
<td>GRSR:</td>
<td>632</td>
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<td>Total:</td>
<td>17609</td>
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Note: Due to an increase in the number of Reservists on Full Time Service in East Timor, this figure is understated by 1070.

(3) Of the personnel within the GRES, there are 16,003 currently designated as being effective because they are totally fulfilling their training obligations.

(4) Of the personnel within the GRES, there are 546 currently designated as being ineffective because they are not fulfilling their training obligations.

(5) It is a fundamental command responsibility for unit commanders to encourage ineffective reservists to resume effective service. The Commander 2nd Division has directed that commanders at all levels are to vigorously pursue the retention of the maximum number of effective soldiers on unit strength.


Chapter 8, paragraph 7 states that ‘where a member is identified as a potential non-effective member, the unit Commanding Officer is to arrange counseling for the member to advise him/her of the implications of non attendance and the alternatives to Non Effective Service…’

Chapter 9, paragraph 2 states that ‘All reasonable steps should be taken to encourage the soldier, if suitable, to continue to serve. Discharge should be considered as the final option’.

(6) No formal directive is provided to unit commanders to remove consistently non-effective reservists from the unit books. The response to part (5) is applicable.

(7) The methodology used to allocate annual quotas of training days for Financial Year 99/00 was 50 days average for each effective member and 5 days for non effective members. For Financial Year 00/01 the methodology will be 40 days for each effective member and 5 days for non effective members. This reduction has been made because some Army Reserve training days have had to be set aside to help fund the Army’s commitment to the Sydney 2000 Olympics.

Formations have the ability to amend this methodology when allocating to individual Reserve Units based on the availability of personnel, Full Time Service impacts (GRES members on overseas service at Butterworth, East Timor or Bougainville) and local training requirements.

This methodology takes account of members who are meeting their training requirements, and also allows non effective members the opportunity to either become effective or be removed.
Visas: Visitor Applications  
(Question No. 1584)

Mr Sciacca asked the Minister for Immigration and Multicultural Affairs, upon notice, on 30 May 2000:


(2) For each post referred to in part (1), how many visa applications were (a) received and (b) rejected from applicants aged (i) between 20 and 30 years of age, (ii) between 30 and 40 years of age, (iii) between 40 and 50 years of age, (iv) between 50 and 60 years of age and (v) 60 years of age and over.

(3) What are the official figures for the total number of visitor visa applications received and the number of applications refused during each year since 1994-95 by departmental posts in (a) United States and (b) United Kingdom.

(4) For each post referred to in part (3), how many visa applications were (a) received and (b) rejected from applicants aged (i) between 20 and 30 years of age, (ii) between 30 and 40 years of age, (iii) between 40 and 50 years of age, (iv) between 50 and 60 years of age and (v) 60 years of age and over.

(5) For each post referred to in parts (1) and (3), how many applications for visitor visas in each age group were refused on the grounds that the applicant fitted into one of the categories on the High Risk Factor List.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) The honourable member will know that the Australian Government does not have posts in all of the countries listed in his question. However, all the data available at this time is included in Table A below. Until November 1998 the Department could only report on refusals by Post, and this was not always indicative of citizenship. From that time the Department has been able to report on refusals by citizenship and accordingly I have also included data, at Table B below, on applications and refusals by citizenship for calendar years 1999 and 2000 (to 31 May).

(2) Data on the age and sex of visitor visa applicants is not readily available for reporting purposes at present however systems development work is currently underway to enable data to be easily extracted and reported upon. I have asked officers of my Department to continue to advance this work and provide these statistics to the honourable member when they become available. Given the current position of the systems development, it is not possible to estimate when this information might be available.

(3) The honourable member will be aware of the difficulty in making comparisons between the countries discussed in question 1 and the USA and UK. US and UK citizens are eligible, along with the nationals of 31 low risk countries worldwide, to be granted an Electronic Travel Authority (ETA) if they are not listed on the Movement Alert List. Visitor visas, including ETAs, granted to UK and USA nationals during the period requested are included in Tables A and B.

(4) See (2) above.

(5) Public Interest Criterion 4011 (the “risk factor”) requires any visitor visa applicant who falls within certain age and sex cohorts to demonstrate to the decision-maker that “there is very little likelihood that the applicant will remain after the expiry of any period during which the applicant might be authorised to remain after entry.”
While I can state the number of visa applications rejected, the department does not record the reasons for those rejections in a way that can be accessed by the Department’s reporting systems. I can, however, state that the risk factor list is not used to automatically exclude applicants. It operates simply as an “alert” to decision-makers of the potential for continued stay in Australia and requires the applicant to provide a higher level of evidence to support their claim that they are only intending to visit Australia. An applicant will be rejected where they fail to satisfy a decision-maker that a genuine visit is intended.

Visitor Visas

Number of Visitors Visa Applications and Refusals by Processing Country and Program Year

Program Year 1994-95 to 1999-00 (to 30 April 00)

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Visitor visa numbers include ETA’s for Greece, United Kingdom and United States of America.

Visitor Visas

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**Dairy Industry: Deregulation**

*(Question No. 1603)*

**Mr Murphy** asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 5 June 2000:

1. How many farming interests will be lost as a direct result of dairy farming deregulation.
2. What will be the estimated impact in dollars and percentiles of dairy farming deregulation on farm property values.
3. Will he implement controls and restrictions on processors and supermarkets so that farmers can continue to receive a fair and reasonable price for their produce.
4. Do Australian consumers enjoy the lowest cost and highest quality dairy products in the world; if so, what will be the benefit to the consumer of these deregulatory reforms.
5. How will the $1.7 billion dollar package assist farmers in a price drop.
6. What sum will consumers provide to benefit prices through the 11 cents per litre levy.
7. What sum will the State and Territory Governments be paid by the Federal Government when the industry deregulates.
(8) How many NSW farmers will be forced out of the dairy industry should the milk price fall below 25 cents per litre.

(9) Is it a fact that, according to the Australian Bureau of Agricultural and Resource Economics figures, the adjustment package would need to double to $3.6 billion to afford realistic compensation to dairy farmers for loss of income and quota values.

(10) What sum will the Federal Government provide for the compensation package over the next eight years.

(11) Will added pressures be put on the environment due to deregulation; if so, what are those additional pressures especially in respect to milk production.

Mr Truss—The answers to the honourable member’s questions are as follows:

(1) The Australian dairy industry has already undergone significant change over the past 25 years but milk volume has nearly doubled as the industry has responded positively to the global market it now operates in. Industry leaders are of the view that deregulation will benefit the industry particularly with the positive impact of the Commonwealth’s Dairy Industry Adjustment Package and lessened regulation on the industry.

(2) Land values will be influenced by many factors, including the returns from milk production, potential returns from other commercial activities, and land characteristics such as proximity to towns and urban centres. The Commonwealth Package will inject funds into dairy communities which should encourage land prices to be higher than they would be in the absence of the package.

(3) Although the Commonwealth has no general power under the Constitution to implement comprehensive price controls, the Australian Competition and Consumer Commission has been tasked to monitor the prices, costs and profits in all sectors of the supply chain to ensure any changes are in accordance with acceptable competitive practice.

(4) Deregulation is delivering significant benefits to consumers through lower milk product prices.

(5) The Commonwealth package is intended to assist dairy farmers adjust to lower prices in the new market circumstances. It will do this by facilitating business adjustment, or exit for those who no longer wish to continue farming.

In addition, up to $45 million over the first three years will also be made available to assist dairy-dependent communities adjust to the impacts of industry deregulation. Guidelines for the dairy Regional Assistance Programme were announced on 17 July 2000.

(6) As major beneficiaries of the reforms, and with lower retail prices already evident, it is appropriate that consumers bear the cost of the Commonwealth package through application of an 11 cents per litre levy from 8 July 2000 on sales of liquid milk products.

(7) The Commonwealth package does not provide for any payments to State and Territory governments.

(8) The actual number of farmers exiting the industry in any state will depend on many factors including business cost structures and individual aspirations. The Commonwealth package is designed to assist farmers adjust to the new market circumstances through the provision of structural adjustment payments, and for those wishing to exit, payments of up to $45 000 will be available.

(9) The package is not intended to, and does not, compensate farmers for losses associated with deregulation of state market milk arrangements. The package reflects the proposal put to Government by the Australian Dairy Industry Council (ADIC) with the support of all state dairy farmer bodies, who were of the firm view that deregulation was inevitable as a result of commercial market factors. The ADIC appreciated there would be adjustment pressures faced by many farmers and proposed the Commonwealth package to assist industry to adjust in the transition to a deregulated environment.

(10) Through the imposition of an 11 cent levy over 8 years on liquid milk products, the Federal Government is providing a package costing up to $1.78 billion to assist dairy farmers and dairy
dependent communities adjust to deregulation. As noted above, these funds are not intended to compensate farmers for losses associated with deregulation.

(11) Any overall environmental impact due to deregulation is likely to be positive as farmers adjust production to more seasonal pasture growth patterns, and market signals are allowed to reflect consumer preferences for product sourced through environmentally friendly production systems. Those farmers who choose to move towards more intensive dairying, such as dairy feedlots, would need to do so in compliance with all relevant environmental and other controls administered by state and local governments.

**Forest Industry Structural Adjustment Package: Funding**

(Question No. 1623)

Mr Laurie Ferguson asked the Minister for Forestry and Conservation, upon notice, on 8 June 2000:

(1) What is the estimated sum of Commonwealth funding that will be provided under the Forest Industry Structural Adjustment Package (FISAP) to (a) NSW, (b) Victoria, (c) WA and (d) Queensland in (i) 2000-01, (ii) 2001-02 and (iii) 2002-03.

(2) What proportion of the Commonwealth FISAP funding to Victoria is to be allocated to the Regional Forest Agreements (RFA) regions of (a) Central Highlands, (b) East Gippsland, (c) Gippsland, (d) North East and (e) West.

(3) What proportion of further Commonwealth FISAP funding to NSW is to be allocated to the RFA regions of (a) Eden, (b) North East, and (c) Southern.

Mr Tuckey—The answer to the honourable member’s question is as follows:

(1) Estimated Commonwealth expenditure on the Forest Industry Structural Adjustment Package (FISAP) in millions of dollars in 2000-01, 2001-02 and 2002-03 is:

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NB These estimates are indicative only.

(2) The Commonwealth’s funding contribution to FISAP for Victoria will be applied across all areas within the State covered by an RFA with no specific amounts earmarked for particular RFA regions.

(3) The Commonwealth’s funding contribution to FISAP for NSW will be applied across all areas within the State covered by an RFA with no specific amounts earmarked for particular RFA regions.

**Passenger Movement Charge**

(Question No. 1700)

Mr Martin Ferguson asked the Minister representing the Minister for Justice and Customs, upon notice, on 27 June 2000:

(1) Was the passenger movement charge on international departing passengers implemented to cover the cost of border control service of immigration, customs and quarantine services at international airports; if so, are monies collected under the charge directed towards the costs of these services.

(2) Does the charge collect more than is required to meet these costs.

(3) Are Government agencies which the charge was supposed to fund experiencing difficulties at the newly privatised airports because the government does not allocated money collected to meet the agencies’ direct costs.

Mr Williams—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:
The question has been transferred from the Minister for Transport and Regional Services to the Minister for Justice and Customs who has provided the following answer to the honourable member’s question.

(1) The passenger Movement Charge was designed to cover the cost of Customs, Immigration and Quarantine processing and the cost of issue of short-term visitor visas. The monies collected under this Charge go to the Consolidated Revenue Fund.

(2) The last time that the costs of providing Customs, Immigration and Quarantine processing and short-term visitor visas were reviewed was in 1997. At that time, based on the 1995/96 Passenger Movement Charge collects, it was estimated that the collections were less than agencies’ costs.

(3) The Australian Customs Service is not experiencing difficulties at the newly privatised airports. Customs did not consult with the other agencies AQIS and DIMA and can therefore not answer on there behalf.

**Flood Liaison Committee: Membership**

(1) Mr Kelvin Thomson asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

(1) What is the membership of the Flood Liaison Committee.
(2) What are the terms of reference of the Flood Liaison Committee.
(3) Are minutes available from meetings of the Flood Liaison Committee; if so, will he provide copies.
(4) How often and when has the Flood Liaison Committee met.
(5) Has the committee taken any action concerning flood mitigation works and the provision of information concerning areas in risk of flooding.
(6) Has the committee made any recommendations regarding improving the performance of the insurance industry on claims for water damage.
(7) Does the Flood Liaison Committee have any formal standing or backing to implement its findings.

Mr Anderson—The answer to the honourable member’s questions is as follows:

(1) The Flood Liaison Committee was established by the Insurance Council of Australia (ICA). I understand the ICA invited Commonwealth and State officials to participate.
(2) I suggest the honourable member refer his question to the ICA.
(3) See (2) above.
(4) See (2) above.
(5) See (2) above.
(6) See (2) above.
(7) No.

**Rome Statute of the International Criminal Court**

(1) Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 14 August 2000:

(1) Further to the answer to question No. 1302 (Hansard, 31 May 2000, page 15811), with which departments is his department consulting on the legislation to implement the Rome Statute of the International Criminal Court.
(2) When did his Department first seek consultation with, and receive input from, each of the other Departments.

Mr Downer—The answer to the honourable member’s question is as follows:

According to records held by the Department of Foreign Affairs and Trade:
(1) The inter-departmental consultation process to develop the legislation to implement the Rome Statute of the International Criminal Court includes the Attorney-General’s Department and the Departments of Foreign Affairs and Trade and Defence. The Attorney-General’s Department is the lead agency in this process. The Department of Prime Minister and Cabinet is also consulted from time to time.

(2) The Departments of Foreign Affairs and Trade and Defence and the Attorney General’s Department have been in a continuous state of consultation concerning all matters relating to the International Criminal Court and Australia’s participation in it from the commencement of the negotiations for the Statute itself. Consultation between the three Departments specifically on the legislation commenced in earnest following the joint press release of the Ministers for Foreign Affairs and Trade and the Attorney-General on 12 December 1999, which announced the Government’s intention to ratify the Statute.

Minister for Education, Training and Youth Affairs: Young Australian Writers’ Awards
(Question No. 1749)

Mr McClelland asked the Minister for Education, Training and Youth Affairs, upon notice, on 14 August 2000:

(1) Has he been invited to attend the Young Australian Writers’ Awards sponsored by the Australian Children’s Literary Board; if so, how many times has he been invited.

(2) Has he ever attended the Awards; if not, why not.

(3) Has he been invited to meet with the committee of the Australian Children’s Literary Board; if so, how many times has he been invited.

(4) Has he met with the Board; if not, why not.

(5) Has he been approached for funding for the Australian Children’s Literary Board; if so, (a) by whom and (b) what sum was requested.

(6) Was a request for funding refused; if so, why was it refused.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) - (4) In relation to Questions 1 to 4, the provision of this information is deemed inappropriate given that it relates directly to my diary, which is private.

(5) I have been approached for funding by the Australian Children’s Literary Board

(a) in writing, through its Publisher, Mr Rob Leonard and Editor, Mr Noel Butterfield.

(b) the amount requested was $200,000.

(6) The request for funding was refused. It was refused for the following reasons:

The Commonwealth’s literacy and numeracy funding is highly targeted, with the vast bulk being paid directly to the states and territories to support students who suffer from educational disadvantage in terms of their literacy and numeracy outcomes.

The small amount of flexibility which does exist is used to fund one off, national research projects and strategic initiatives to support the National Literacy and Numeracy Plan. These funds are distributed based on a competitive selection process.

The Department wrote to the Australian Children’s Literary Board on 3 August 2000 to advise of the establishment of a pool of Commonwealth funding under the Literacy and Numeracy Programme for innovative literacy and numeracy projects. Applications closed on 21 August 2000. These are currently being considered.

Imports: Motor Vehicles
(Question No. 1761)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

(1) Are all imported buses and coaches required to comply with Australian Design Rules (ADRs); if so, what legislation or regulations specify the requirement.
(2) Is there a proposal to change this requirement; if so, (a) which States, organisations or individuals have requested a change and (b) for what purpose.

(3) What would be the effect (a) of any change on the safety of passengers travelling in buses and coaches and (b) on the cost of an imported bus or coach relative to an Australian made bus or coach.

(4) Which agency, department or authority is responsible for auditing imported buses and coaches to ensure they comply with ADRs.

(5) How many audits has that organisation conducted each year since 1995, and how quickly are audits conducted after date of importation.

(6) How many buses and coaches were imported in each year since 1995 and from which countries were they imported.

(7) When audited, how many of these buses and coaches were found not to comply with ADRs.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Yes. All buses and coaches supplied to the Australian market are required to comply with national standards when they begin to be used in transport under the provisions of the Motor Vehicle Standards Act 1989. This applies equally to buses and coaches built locally or imported.

(2) No.

(3) Not applicable. No changes are envisaged to the requirement that imported buses and coaches comply with the Australian Design Rules.

(4) The Department of Transport and Regional Services is responsible for auditing all vehicle manufacturers supplying the Australian market to ensure compliance with the ADRs.

(5) The Vehicle Safety Standards Branch conducted a total of four audits on four overseas bus production plants since 1995.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER OF AUDITS ON OVERSEAS BUSES AND COACHES PRODUCTION PLANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>Nil</td>
</tr>
<tr>
<td>1996</td>
<td>Nil</td>
</tr>
<tr>
<td>1997</td>
<td>Nil</td>
</tr>
<tr>
<td>1998</td>
<td>One</td>
</tr>
<tr>
<td>1999</td>
<td>One</td>
</tr>
<tr>
<td>2000</td>
<td>Two</td>
</tr>
</tbody>
</table>

An audit can be conducted soon after the bus manufacturer is granted an approval to fit compliance plates to the vehicles. However the actual audit date can depend on the location of the production plant and the Department of Transport and Regional Services’ overseas audit schedule.

(6) This information is not available, as the Department of Transport and Regional Services’ records of numbers of imported and domestically produced vehicles are not segregated.

(7) Each bus or coach is not individually inspected at an audit. The purpose of a conformity of production audit is to enable the Administrator of Vehicle Standards to gain assurance that series produced vehicles comply with the Australian Design Rules by providing an avenue for manufacturers to demonstrate the controls maintained over those design, testing, purchasing and vehicle manufacturing processes which impinge on the Australian Design Rules.

Of four overseas production plants for buses and coaches audited since 1995, three were found to have deficiencies in their quality assurance systems. Two production plants are undertaking corrective actions to rectify the deficiencies. Import Approvals relating to coaches produced by the third plant were withdrawn.
Goods and Services Tax: Education, Training and Youth Affairs Portfolio
(Question No. 1775)

Mr Hatton asked the Minister for Education, Training and Youth Affairs, upon notice, on 14 August 2000:

(1) Is the Minister’s Department and agencies within the Minister’s portfolio compliant in respect of the Goods and Services Tax.

(2) What action did the Minister’s Department and agencies within the Minister’s portfolio take to ensure that they were GST ready by 1 July 2000.

(3) Is the Minister able to guarantee that no agency within the Minister’s portfolio will suffer negative impacts on its budget or services due to the GST; if not, or if the guarantee was subsequently proved incorrect, would the Minister be prepared to resign.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) In June 2000, I received assurances from the chief executives of all agencies within my portfolio that they would be able to comply with The New Tax System from 1 July 2000.

(2)(a) To ensure my Department was GST ready by 1 July a GST implementation team was set-up. This team had the overall responsibility for coordinating all GST related issues, including Project planning and liaising with the Australian Tax Office and Department of Finance and Administration to obtain rulings on Education related issues. My Department had regular Management Meetings to monitor the progress of all issues and engaged taxation consultants to provide expert advice. My Department’s FMIS system was modified to ensure it was GST compliant and could handle all payments and receipts correctly and all modifications to the FMIS were independently audited to ensure GST compliance. All staff involved in GST processing were provided extensive training. My Department also wrote to around 20,000 of its business partners to advise them of GST procedures and to request their ABN.

(b) My Department’s agencies - Australian National University, Anutech Pty Limited, ANTA and Anglo Australian Telescope ensured that they were GST ready by establishing Implementation Project Teams.

(3) The New Tax System is not expected to reduce the effective level of funding of agencies in this portfolio.

UNIDROIT Convention: Ratification
(Question No. 1786)

Mr Latham asked the Minister for Foreign Affairs, upon notice, on 14 August 2000:

(1) Has he noted the recommendation in the report of the Culture, Media and Sport Committee, ordered to be printed by the British House of Commons on 18 July 2000, that the United Kingdom sign the 1995 UNIDROIT Convention and that the Government bring forward legislation to give effect to its provisions and facilitate early ratification.

(2) Is he able to say which states have (a) signed, (b) ratified or (c) acceded to the Convention since his answer to Question No. 2436 (Hansard, 2 March 1998, page 147).

(3) Will he bring up-to-date the information in parts (4), (5) and (6) of his answer to Question No. 2436.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) Since my answer to Question No. 2436 (Hansard, 2 March 1998, page 147) (a) no states have signed the Convention, (b) Bolivia, Finland, Hungary, Italy and Peru have ratified and (c) Brazil and El Salvador have acceded to the Convention.
For convenience, I attach a list of all states which have (a) signed, (b) ratified or (c) acceded to the Convention.

UNIDROIT CONVENTION ON STOLEN OR ILLEGALLY EXPORTED CULTURAL OBJECTS
(Rome, 24 June 1995)
Entry into force: 1 July 1998 in accordance with Art 12.1 (first day of the sixth month following deposit of fifth instrument)
Internet: http://www.unidroit.org

<table>
<thead>
<tr>
<th>Participant</th>
<th>Signature</th>
<th>Ratification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>29 Jun 1996</td>
<td>13 Apr 1999</td>
</tr>
<tr>
<td>Brazil</td>
<td>24 Jun 1995</td>
<td>23 Mar 1999(a)</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>7 May 1997(a)*</td>
<td></td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Ecuador</td>
<td>24 Jun 1995</td>
<td>26 Nov 1997(a)</td>
</tr>
<tr>
<td>El Salvador</td>
<td>24 Jun 1995</td>
<td>16 Jul 1999(a)</td>
</tr>
<tr>
<td>Finland</td>
<td>1 Dec 1995</td>
<td>14 Jun 1999*</td>
</tr>
<tr>
<td>France</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>27 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Guinea</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>24 Jun 1995</td>
<td>11 Oct 1999</td>
</tr>
<tr>
<td>Lithuania</td>
<td>24 Jun 1995</td>
<td>4 Apr 1997</td>
</tr>
<tr>
<td>Netherlands</td>
<td>28 Jun 1996*</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>27 Jun 1996</td>
<td></td>
</tr>
<tr>
<td>Paraguay</td>
<td>13 Jun 1996</td>
<td>27 May 1997</td>
</tr>
<tr>
<td>Portugal</td>
<td>23 Apr 1996</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>27 Jun 1996</td>
<td>21 Jan 1998</td>
</tr>
<tr>
<td>Russia</td>
<td>29 Jun 1996</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>29 Jun 1996</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>26 Jun 1996</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>24 Jun 1995</td>
<td></td>
</tr>
</tbody>
</table>

(3) The information provided in my answer to Question No. 2436 remains current. Consideration and consultation remain to be taken in accordance with normal treaty making processes before any decision is made on whether Australia will accede to the Convention. This includes consultations at the Commonwealth inter-agency level and with State and Territory governments. There is no timetable for accession at this stage.

Australian Active Service Medal: Clasps
(Question No. 1792)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 14 August 2000:
(1) How many RAAF personnel have been awarded the Australian Service Medal 1945-75 with Clasp ‘Vietnam 1975’.

(2) Did the Government subsequently decide to create a new clasp of the Australian Active Service Medal 1945-75 for service in support of the UN Children’s Emergency Fund in Vietnam in March and April 1975; if so, on what date was the new award gazetted.

(3) How many RAAF personnel have (a) applied for and (b) received the new clasp of the AASM 1945-75 referred to in part (2).

(4) Have personnel who were awarded the ASM VIETNAM 1975 been advised by Defence that their Medal has been cancelled and should be returned even if that are not eligible for the replacement award of the AASM 1945-75; if so, what is the justification for this action.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The current ASM, not the ASM 1945-75, with Clasp ‘Vietnam 1975’ was awarded and 142 RAAF personnel received it.

(2) The Government upgraded the current ASM with Clasp ‘Vietnam 1975’ to the current AASM, not the AASM 1945-75, with Clasp ‘Vietnam 1975’. The date of gazettal was 18 August 1998.

(3)(a) Rejected applications are not recorded, therefore the actual number of applications for the AASM with Clasp ‘Vietnam 1975’ cannot be determined.

(b) The current AASM with Clasp ‘Vietnam 1975’ has been awarded to 31 Royal Australian Air Force personnel.

(4) The ASM with Clasp ‘Vietnam 1975’ is only cancelled once eligibility for the AASM has been established and only after application by an individual. Therefore, only those who fall into this category are notified of the cancellation. The AASM will not be awarded until the ASM is returned or a Statutory Declaration attesting to its loss is received. By Regulation and Letters Patent approved by the Queen, the AASM can only be awarded for warlike service and the ASM for non-warlike service. Therefore, after an upgrade of service is determined, it is necessary for an individual to surrender their ASM prior to receiving the AASM for that upgraded service. This naturally does not apply if the ASM also recognises other non-warlike service rendered by the individual.

ASEAN: Australian Exclusion
(Question No. 1798)

Dr Theophanous asked the Minister for Foreign Affairs, upon notice, on 15 August 2000:

(1) What information does he have about the closer economic, political and cultural links in the ASEAN plus 3 grouping of countries.

(2) Is he concerned that this grouping will form an economic and political unit which will have the effect of excluding Australia.

(3) Does he have a strategy to deal with the growing alienation of Australia from this group of nations.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) The ASEAN plus 3 Summit in Manila last year produced for the first time a Joint Statement which included reference to increased dialogue and coordination in the political – security field. The Summit also agreed to convene a Foreign Ministers meeting on the margins of the ASEAN Post Ministerial Conference. The outcomes of that meeting this July were: an agreement to hold annual ASEAN plus 3 meetings at Foreign Minister level; endorsement of the Chiang Mai initiative by the ASEAN plus 3 Finance Ministers on 6 May 2000, aimed at promoting cooperation in regional financing arrangements to supplement existing international arrangements; and support for the sovereignty, territorial integrity and national unity of Indonesia.

(2) No. Close engagement with East Asia is an abiding priority in Australian foreign and trade policy. We have fundamental interests at stake in our region and welcome the emergence of the
ASEAN plus 3 grouping. It is natural that countries in the region should seek to get together to discuss issues of common interest. We welcome attempts to enhance and broaden dialogue in the region and strengthen cooperation. Australia would be happy to join such a grouping at some later stage, if invited to do so.

(3) Such a strategy is not necessary because Australia is not alienated from the region. For example, at the recent ASEAN Post Ministerial Conferences in Bangkok, my ASEAN colleagues were very supportive of the constructive role Australia has played in the region. They specifically thanked Australia for the substantial and practical contribution Australia has made to assist the region in its efforts to better integrate the newer ASEAN members and to aid economic recovery and longer term prosperity in the region. Australia’s contribution and intellectual input to regional bodies, such as APEC, the ASEAN PMC, the ASEAN Regional Forum, the Executives’ Meeting of East Asia – Pacific Central Banks and a host of other specialist and second-track linkages, is widely recognised and appreciated by our regional partners.

**Department of Agriculture, Fisheries and Forestry: Salaries**

*(Question No. 1838)*

Mr Tanner asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 16 August 2000:

In 1999-2000 in the Minister’s Department, what was the (a) average salary paid in each Australian Public Service salary band and (b) average staffing level (average number of employees) for each band.

Mr Truss—The answer to the honourable member’s question is as follows:

The average salary and staffing numbers by approved salary bands in my Department for 1999-2000 were:

<table>
<thead>
<tr>
<th>Band Level</th>
<th>Average Salary</th>
<th>Average Staffing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 1</td>
<td>$34,864</td>
<td>900</td>
</tr>
<tr>
<td>Band 2</td>
<td>$49,719</td>
<td>644</td>
</tr>
<tr>
<td>Band 3</td>
<td>$71,168</td>
<td>607</td>
</tr>
<tr>
<td>Band 4</td>
<td>$92,799</td>
<td>2</td>
</tr>
<tr>
<td>Science Band 1</td>
<td>$33,652</td>
<td>19</td>
</tr>
<tr>
<td>Science Band 2</td>
<td>$43,428</td>
<td>36</td>
</tr>
<tr>
<td>Science Band 3</td>
<td>$72,435</td>
<td>62</td>
</tr>
<tr>
<td>Meat Inspection</td>
<td>$44,965</td>
<td>391</td>
</tr>
<tr>
<td>Senior Executive Band 1</td>
<td>$87,542</td>
<td>45</td>
</tr>
<tr>
<td>Senior Executive Band 2</td>
<td>$109,153</td>
<td>19</td>
</tr>
<tr>
<td>Senior Executive Band 3</td>
<td>$123,599</td>
<td>6</td>
</tr>
</tbody>
</table>

**Immigration: Skilled Migrants**

*(Question No. 1854)*

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 17 August 2000:

(1) Further to his answer to a question without notice *(Hansard, 14 August 2000, page 17266)*, concerning employer nominations for skilled migration, how many permanent visa applications did his
Department receive for employer-nominated and skilled migration in 1999-2000 and how does this compare with the years since 1995-1996.

(2) What proportion of applications for 1999-2000 were (a) accepted and (b) rejected by his Department

(3) What were the grounds for rejection of employer-nominated permanent migration applications and other permanent visa applications in 1999-2000.

(4) What is the global regional breakdown of permanent visa applications received by his Department and what proportions, by region, were (a) accepted and (b) rejected in 1999-2000

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) The following table provides a five year breakdown of the permanent visa applications (persons) received by my Department under the employer sponsored categories and skilled migration categories (skilled migration also includes employer sponsored categories):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer nominated categories</td>
<td>5,735</td>
<td>6,328</td>
<td>6,715</td>
<td>5,878</td>
<td>6,882</td>
</tr>
<tr>
<td>Skill stream</td>
<td>92,022</td>
<td>61,260</td>
<td>44,730</td>
<td>68,385*</td>
<td>30,576**</td>
</tr>
</tbody>
</table>

*The increase in applications in 1998-99 reflects the interest in migration in the period immediately preceding the introduction on 1 July 1999, of the pre-application skills assessment under the new general points system. Applications under the old general points system closed on 30 June 1999.

**The decline in applications in 1999-2000 reflects the time lag for applicants to undertake the pre-application skills assessment (PASA) before lodging their application with my Department. With PASA, applicants are more readily able to self-determine their prospects for success and are therefore less likely to apply if their prospects are poor.

(2) Due to the dynamic nature of the migration caseload, applications processed in a particular year generally comprise applications received over more than one year. The following table provides a breakdown of outcomes for all Skill Stream permanent visa applications decided in the 1999-2000 Program Year (rejections also include withdrawals):

<table>
<thead>
<tr>
<th>Decision Location</th>
<th>Accepted (Granted)</th>
<th>Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decided in Australia</td>
<td>82 percent</td>
<td>18 percent</td>
</tr>
<tr>
<td>Decided overseas</td>
<td>59 percent</td>
<td>41 percent</td>
</tr>
</tbody>
</table>

(3) Whilst data on specific grounds for rejection for each case is not available, the broad grounds for rejection can include:

- failure to meet the core migration requirements (including skills, sponsorship, genuine relationship); and
- failure to meet Australia’s Public Interest criteria (including health and character)

(4) The offshore operations of my Department are grouped under ten geographical regions. A breakdown of the Skill Stream (including employer sponsored categories) permanent visa applications received by my Department in 1999-2000, and the percentage accepted and rejected (including withdrawals) in 1999-2000, are provided in the table below (these decisions include applications received in previous years).

Breakdown of applications (persons) received during 1999-2000, and approval and rejection rates, by DIMA geographical region

<table>
<thead>
<tr>
<th>Region</th>
<th>Lodgments (persons)</th>
<th>Approvals (percent)</th>
<th>Rejections (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athens Region (includes Ankara, Athens, Beirut, Cairo, Nairobi and Pretoria)</td>
<td>3,642</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Bangkok Region (includes Bangkok, Ho Chi Minh)</td>
<td>3,468</td>
<td>69%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Tuesday, 3 October 2000

Immigration: Skilled Migrants
(Question No. 1855)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 17 August 2000:

1. Further to his answer to a question without notice (Hansard, 14 August 2000, page 17266) in which he stated that the demand for temporary entry visas was up by 8% in 1999-2000, what proportion of temporary visa applications were (a) accepted and (b) rejected by his Department in 1999-2000 and what were the major reasons for the rejections.

2. Is a reason for the increased demand for temporary visas the fact that many employers have had numerous applications for permanent migration rejected by his Department and have therefore been discouraged from having any success in the permanent visa application program.

3. Will his Department work to ensure that the permanent visa program in the skilled category is developed to be responsive, flexible and quick.

4. Is the temporary entry program being promoted because the permanent immigration program is not being increased to meet the real needs of Australian industry.

Mr Ruddock—The answer to the honourable member’s question is as follows:

1. The following table provides a breakdown of temporary business visa applications that were accepted and rejected by my Department in 1999-2000:

<table>
<thead>
<tr>
<th>Region</th>
<th>Lodgments (persons)</th>
<th>Approvals (percent)</th>
<th>Rejections (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing Region (includes Beijing, Guangzhou and Shanghai)</td>
<td>1,496</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Hong Kong Region (includes Hong Kong, Manila, Seoul, Taipei, Tokyo)</td>
<td>4,255</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>Jakarta Region (only Jakarta)</td>
<td>2,245</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>London Region (includes Berlin, Dublin, London and Paris)</td>
<td>4,046</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>New Delhi Region (includes Colombo, Islamabad, Mumbai and New Delhi)</td>
<td>1,899</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Suva Region (includes Auckland, Port Moresby and Suva)</td>
<td>1,240</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Vienna Region (includes Belgrade, Moscow, Vienna and Warsaw)</td>
<td>426</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Washington Region (includes Los Angeles, Ottawa, Santiago and Washington)</td>
<td>734</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Global Regional Total</td>
<td>23,451</td>
<td>59%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Whilst data on specific grounds for rejection for each case is not available, the broad grounds for rejection can include:

- failure to meet the core migration requirements (including skills, sponsorship, genuine relationship); and
- failure to meet Australia’s Public Interest criteria (including health and character).
(2) No. The shift towards a more rapid increase in use of skilled temporary entry arrangements compared to the use of skilled permanent entry arrangements reflects the forces of globalisation. Skilled people are increasingly mobile and tend to go into positions and countries where they will get the best return on their skills. They tend to enter on a temporary basis because their intention is to remain mobile. Employers also tend to favour temporary entry arrangements.

It should be noted that the processing requirements for skilled temporary entry are not significantly easier than permanent entry on an employer nominated basis. The Government has taken significant steps to re-structure processing for permanent entry employer nominated visas to make these more streamlined. For example, from 1 July 1999 onwards:

- Labour Market Testing (LMT) under the Employer Nomination Scheme (ENS) and the Regional Sponsored Migration Scheme (RSMS), for occupations listed on the Migration Occupations in Demand List (MODL) can be waived;
- the post-qualification work experience requirement under the ENS can be waived for overseas students completing their studies in Australia where their occupation is on the MODL; and
- the three-year contract requirement previously applicable to all ENS applicants now only applies for applicants who do not meet any of the threshold skill, age and language criteria and are approved as ‘exceptional’

Moreover, it should be noted that the approval rates under the new general points test for selection of skilled independent migrants have increased from around 50 percent under the old points test to around 90 percent under the new points test.

(3) My Department is continually focussing on the permanent visa program in the skilled category to make it more streamlined, flexible and easier for business and industry to understand and use. Some initiatives in this direction include:

- changes to the Business Skills category following a review by my Business Advisory Panel (BAP);
- the successful introduction of a new general points test to select skilled migrants. The new test is more rigorous, transparent and highly targeted to Australia’s skill needs. It has enabled processing times to be cut significantly, approval rates to be increased from an average of around 50 percent under the old test to around 90 percent under the new test and a major increase in migrants with skills in shortage in Australia;
- the development of a suite of state-specific migration mechanisms for use by State/Territory governments seeking to attract more skilled and business migrants;
- the changes to the Employer Nominated Scheme as mentioned above; and
- the development of a booklet style information and application form kits in a user friendly format (these are now available on the Internet).

(4) No. The Government has steadily increased the size of the Skill Stream. In 2000-01, there are 40,000 Skill Stream places available, the highest level since 1991-92. In addition, the Government has maintained a 5,000 place contingency reserve for use by State/Territory Governments and/or employers that can increase the take up of visa categories designed for their use.