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

QUESTIONS WITHOUT NOTICE

Liberal Party of Australia: One Nation Preferences at State Election

Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that Western Australian Liberal Premier Richard Court has left open the possibility of the Liberal Party preferring One Nation at the forthcoming Western Australian state election? Will the Prime Minister advise Premier Court to adopt the same position that the Prime Minister reluctantly adopted at the 1998 federal election—namely, to put One Nation last in every seat?

Mr HOWARD—My view is that the One Nation Party should be placed last on all Liberal Party how-to-vote cards in Australia.

Pacific Islands Forum: Outcome

Mr NUGENT (2.02 p.m.)—My question is addressed to the Prime Minister. Will the Prime Minister inform the House of the outcome of the Pacific Islands Forum held from 27 to 30 October in Kiribati?

Mr HOWARD—I thank the honourable member for Aston for his question. He is one of many members on this side of the House who have a very deep interest in the affairs of the Pacific region. I can report that the recent meeting of the Pacific Islands Forum was most successful and represented a very decisive assertion by the member states of the forum of the importance of acting in concert to deal with emerging challenges in the region. I express my thanks and appreciation to President Tito and the government and the people of Kiribati for the warmth and generosity of their welcome.

The situations in the Solomon Islands and Fiji were clearly major issues at the forum meeting. I should report to the parliament the immense gratitude of the representative of the government of the Solomon Islands for the contribution made by the Minister for Foreign Affairs towards the very successful discussions concluded in Townsville on 15 October. The forum adopted what has become known as the Biketawa Declaration, which is a major step forward for the region. It recognises the need for member states to collaborate when difficulties and crises emerge and recognises that, as a last resort, the adoption of targeted measures could well be necessary.

We naturally spent some time discussing the situation in Fiji. There have been some welcome statements of intention by the government of Fiji. However, it is fair to say that the jury is still out on how those intentions actually materialise. Because of that, the venue of the next forum meeting is as yet unresolved. I indicated to the meeting that, if the meeting were to take place in Suva, the government of Australia would have some difficulty in being represented at a prime ministerial level, and that is also the attitude being taken by the government of New Zealand.

There was a lengthy discussion of the situation in West Papua and, against the background of recognising Indonesian sovereignty over West Papua, leaders expressed concern about the recent violence and loss of life and we urged both the Indonesian government and the secessionist groups to resolve their differences through dialogue and consultation. I briefed the leaders on the situation in East Timor and expressed thanks for the support so willingly given at the meeting in Palau last year for the INTERFET operation led by Australia.

Finally, and importantly, I was able to demonstrate Australia’s strong commitment to the Pacific Islands region in a number of other ways. I announced a 25-year extension of the Pacific Patrol Boat Program, at a cost of $350 million, from 2002 through to 2027. I offered to host a workshop on the control of small arms and Australian support for a regional paralympic group. I signed the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific. Finally, Mr Speaker—and this is something that will be of particular interest to you—on behalf of the parliament I presented a mace as a gift to the parliament of Kiribati, and a splendid mace it was indeed, reflecting great credit on the workmanship of Australians. It was a really
beautiful representation of a traditional Kiribati weapon and it was very warmly and affectionately received by both the President and the Speaker of the Kiribati parliament.

**Petrol Prices: Government Policy**

Mr CREAN (2.06 p.m.)—My question is to the Prime Minister. I ask: have you seen the call by the member for McEwen for a fuel excise freeze following your broken petrol promise? Have you told her that a call for a freeze on petrol excise is against government policy?

Mr HOWARD—There have been no broken promises in relation to fuel excise by the government. That is a figment of the imagination of the Deputy Leader of the Opposition. I have stated, as has the Treasurer, on behalf of the government, the position in relation to an indexation freeze. Those previous statements by both the Treasurer and me remain government policy.

**Trade: Goods and Services**

Ms JULIE BISHOP (2.07 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the outcome for the balance of trade in goods and services in September 2000 released today by the Australian Bureau of Statistics?

Mr COSTELLO—I thank the honourable member for Curtin for her question. I can inform the House that today the Australian Bureau of Statistics released data on international trade in goods and services for September. In seasonally adjusted terms, the deficit on goods and services trade was a surplus of $677 million. This reflected an 18.6 per cent rise in exports and a one per cent rise in imports. The key factor driving the increase in exports in the month of September was $1.4 billion from the Sydney Olympics, which was a very welcome boost during the month to Australia’s export income. Abstracting the Olympics—that is, taking the Olympics out of the figures—exports still increased 6.5 per cent in September and increased 25.4 per cent over the year. Abstracting the Olympics, exports still increased 25.4 per cent over the year. Non-rural and other goods exports increased 8.7 per cent in September, and rural goods exports increased 6.9 per cent to their highest monthly level on record. In trend terms—that is, abstracting from the one-off effects like the one-off effect for the Olympics—the deficit on goods and services trades fell $80 million to $834 million in September. That is the lowest trade deficit in trend terms for nearly 2½ years, consistent with a falling current account deficit.

This indicates that Australia’s economic growth is increasingly being boosted by export growth—that is, we came through the Asian financial crisis in 1997-98, alone of the countries in this region, with a strong economy buttressed by a strong fiscal position, with demand strong in keeping the economy growing. Now, as the world comes back and the world economy increases in growth, Australia’s growth, which is still strong by world standards—and we will be looking at our forecasts with the mid-year review shortly—will increasingly switch into exports. Exports will lead Australia’s growth in the year 2000-01 and, on a strong economy, a falling current account deficit. Net exports are expected to make a significant positive contribution to GDP growth this year for the first time since the Asian financial and economic crisis. These are good news outcomes for the month of September, showing an improvement in Australia’s trading position. I am sure all Australians will welcome the boost to exports.

**Goods and Services Tax: Fuel Excise**

Mr CREAN (2.11 p.m.)—My question is to the Treasurer. Do you still stand by your claim that the fuel excise was cut by the same amount as the GST? If so, have you seen this brochure circulated by the member for Wakefield in which he states:

At current price levels, the reduction in excise has not been enough to offset the effect of the GST.

If the Speaker of the Australian Parliament does not believe you, why should struggling Australian motorists?

Mr SPEAKER—I am resisting any temptation to rule the question out of order.

Mr COSTELLO—I have no doubt in saying that the Speaker of the Australian Parliament does believe me and finds me a very believable chap, if I may say so, just as we consider him one of the great Speakers of
Australian Federation. And long may his glorious reign continue!

Mr SPEAKER—The Treasurer may be obliged to come to the question.

Mr COSTELLO—I am sorry, Mr Speaker, you are not pulling me up for misrepresentation. I take it. Mr Speaker, notwithstanding all of the gems which fall from your lips on a regular basis, I am sure you would agree with the finding of the Australian Competition and Consumer Commission which recently looked at the change in excise and the GST which was put in place on 1 July. The first thing, of course, it found was that when the tax changes came in between 30 June and 1 July—that is, on a constant oil price, constant retail margins and constant profit and the like—prices actually fell. That is, prices actually fell in the major metropolitan areas with the introduction of the new tax system; they did not rise. In addition, in its report the ACCC constructed an index of the international price in petrol and found that, comparing actual prices in Australia with its international index, the price was 1.6c per litre lower in Australia than would have been expected by the movement of oil prices and other variables applying in the international index. It found that 1.6c per litre could well have been savings which were captured by the oil refiners and distributors in Australia. In addition, I make this point: all petrol which goes to the bowser is transported generally in diesel trucks which, from 1 July, had a 24c a litre reduction in fuel excise—that is, the transportation of petrol itself became cheaper.

I would just refer to one other point, because I think members of the government would be interested in this. You may recall that the Labor Party had a Senate select committee to look at the impact of the new tax system when the Labor Party was trying to defeat tax reform and chain Australia to wholesale sales tax for the new century. In its main report, it made a finding not that the government’s cuts in excise were too small but that they were too large. It criticised them for being too large. This was the Labor Party minority report of the Senate Select Committee on A New Tax System of April 1999. Here is what it said in its conclusion:

The government’s proposed tax changes will encourage business to use the more heavily polluting petroleum fuels at the expense of LPG, LNG and other more environmentally friendly fuels.

In other words, we were cutting excises which would encourage people to use diesel and petrol when the Labor Party thought that this would take them away from environmentally friendly fuels. It said:

They will encourage private cars at the expense of public transport.

The Labor Party was complaining in April 1999 that our cuts in excise would encourage too much use of private cars. It is a complete, recent invention that the Labor Party somehow is in favour of greater cuts in excise or GST. It said:

They will encourage more heavy transport vehicles ...

That is, because we cut 24c a litre, the Labor Party was attacking us for encouraging more heavy transports. And then—this is my favourite part—there was the Labor Party finding in April of 1999 when it quoted with approval the Australian Conservation Foundation as saying this:

This tax reform package is the only example in recent years of an OECD country introducing a net reduction in fuel and energy related taxes and charges.

That was the criticism—that we were the only OECD country in recent years which had introduced a net reduction in fuel and energy related taxes and charges. That Senate select committee, which was attacking the government in April 1999 as cutting taxes too much and as going it alone in the OECD, was chaired by Senator Peter Cook, who has now been put in charge of an inquiry to find out why we did not cut the taxes enough. The bloke who found we cut them too much is now in charge of the Labor Party’s inquiry to try to find out why we should have cut them by more. Talk about recent invention.

Mr Crean—You would say that. You’re worse than that.

Mr COSTELLO—Oh, some mothers do have them. What would we do without the Deputy Leader of the Opposition. WTG, Mr Speaker, WTG. So there they go. They get
Cookie out to say, before the package comes in, ‘Outrageous! You’re encouraging diesel and petrol. You’re going it alone in the OECD.’ We bring in the reforms and then Cookie is put in control of saying, ‘You should have cut by more.’ There is no policy coherency whatsoever in this populist rabble. It is an absolutely populist rabble who would not know a policy if they fell over one.

Mr Crean—Mr Speaker, I seek leave to table a copy of the document circulated by your good self, which puts lie to the Treasurer’s claim on petrol.

Leave granted.

Rural and Regional Australia: Policies

Mr Lawler (2.18 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Since it is now 12 months since the government staged the groundbreaking Regional Australia Summit at the instigation of the Deputy Prime Minister, would the minister outline to the House what action has been taken by the government in response to recommendations from the summit? How will this action enhance the social and economic wellbeing of people living in rural, regional and remote areas, and is the Deputy Prime Minister aware of any alternative policies?

Mr Anderson—I thank the honourable member for his question. The government has listened and has acted. We have listened very carefully to the concerns of regional Australia, both in terms of what we glean when we move around rural and regional Australia and also in terms of what was put to us at the summit last year. We have been acting in comprehensive and decisive ways to meet the concerns wherever we can legitimately help make a real difference.

I mention last Friday’s very successful launch of the $90 million Regional Solutions Program. It is carefully designed to respond directly to requests from the summit for flexible partnership arrangements to help in areas of real disadvantage. It has been very, very widely welcomed by everybody—except, of course, the carping opposition spokesman in this area—including the NFF, who made a point of saying that it offered the prospect of making a very real difference to people in disadvantaged areas.

There has also been the announcement of the $700 million national action plan for salinity and water quality. One of the issues that was consistently highlighted at the summit was the need to ensure a more rapid transition to greater sustainability in agricultural land use and production in this country. There has also been the announcement of the $240 million stronger families and communities strategy, again addressing a very real need, specifically identified at the summit.

There has also been the $1.8 billion package announced in the last federal budget. In that was the $562 million ‘more doctors, better services’ package, which has been referred to in this place by my good friend and colleague the Minister for Health and Aged Care. That is a very valuable set of initiatives designed to address the policy failure by those opposite to ensure that we had sufficient quantity, in particular, of training in medicine for rural children, because they are the kids who, having completed their training, will go and practise in rural and regional Australia and make a difference. Under that program we have, for example, amongst many other initiatives, a new bonded scholarship scheme for medical students who agree to practise in rural areas. We have doubled the number of rural Australian medical undergraduate scholarships, giving country students access to the same opportunities.

Opposition members interjecting—

Mr Anderson—We hear interjections from the other side, but we are addressing their policy failure in this most critical area of rural and regional Australians’ health. There was the announcement just the other day of the extension of the full Medicare rebate to GP services provided by OMPs—other medical practitioners. There was the increased discount for farm and business assets from 50 per cent to 75 per cent under the youth allowance family assets test; increased funding for students who live away from home through the Assistance for Isolated Children scheme; the $309 million extension of Agriculture Advancing Australia, taking it
to around an $800 million initiative; support for the Year of the Outback; and meeting our commitment to better coordinate state, local and federal government initiatives between the three spheres of government. There has been the expansion of the Community Development Employment Program. There has been the setting up of the Foundation for Rural and Regional Renewal, which has now announced its first round of funding initiatives. The most cursory and honest glance at what we have done in the last 12 months by those in rural and regional Australia reflects a rich and diversified response to the needs of rural and regional Australia.

I was asked, in part of that question, was I aware of any alternative policies. Am I aware of any alternative policies? The fact is that we have heard of only one. We have not heard its name mentioned for a while, as the Treasurer has pointed out. It is ‘roll-back’. That is the only one we have heard of. When it comes to roll-back in rural and regional Australia we have a very real understanding of what it means, because we saw the greatest single roll-back of opportunity in rural and regional Australia in the history of the country under Labor in the eighties and the nineties—the greatest ever roll-back of opportunity ever seen in rural and regional Australia under this lot opposite. The fact is that their record is a disgraceful one. They sucked the lifeblood out of rural and regional Australia. You sucked the lifeblood out of rural and regional Australia. You sucked the lifeblood out of the place with high interest rates, with high inflation and with—what has been referred to in this place today already—such approaches as a 500 per cent increase in fuel excise. Let us not forget that. There was a 500 per cent increase in fuel excise from these hypocrites opposite in the time that they were in power. That is what it was: 500 per cent.

All we have opposite is a shadow spokesman who offers no alternative policy—nothing. We have seen no policy at all—none—from the member for Batman. We have seen no vision. We see no hope at all offered to rural and regional Australia. All we see is carping, misinformed and mean spirited criticism. That is all we get—absolute drivel from Labor’s spokesman from the region. He cannot even match the New South Wales Premier. The New South Wales Premier, Bob Carr, was actually able to say in February this year on the Howard Sattler program that, ‘We got working with the federal government.’ He was talking about the regions. He said, ‘I give them part of the credit.’ But could the member for Batman actually manage to acknowledge the value of anything we have done, let alone put up a policy proposal that might be positive in its own right? The answer is no.

Goods and Services Tax: Petrol Prices

Mr CREAN (2.26 p.m.)—My question is to the Prime Minister. I ask if he recalls telling the House on 15 August this year:

In monitoring movements in petrol prices, I prefer to rely on the assessments made by the ACCC.

Prime Minister, don’t the assessments made by the ACCC show that the GST has increased petrol prices? And isn’t Terry McCrann right when I quote him as saying: Price-buster Allan Fels and his ACCC have nailed John Howard and Peter Costello for welching on their petrol price promise … without the slightest chance of contradiction.

Prime Minister, if your own backbench, your own Speaker, your own prices watchdog and your favourite newspaper say you have broken your petrol promise, can you point to anyone who thinks you have not?

Mr SPEAKER—Before I recognise the Prime Minister, I should point out that any reference to my representation of the seat of Wakefield is entirely in order, but the Speaker’s office ought not to be implicated in questions.

Mr HOWARD—My recollection of the answer given on 15 August is that any authority in relation to the monitoring of petrol prices was somewhat more reliable than the Deputy Leader of the Opposition. I have not read Mr McCrann’s latest contribution, but I have read a lot of his contributions and I think the balance of his articles is probably not all that favourable to the Deputy Leader of the Opposition—but we will put that aside. One item in the ACCC report struck me as particularly relevant to the question
asked by the Deputy Leader of the Opposition. It says this:

The Commission’s analysis suggests that actual fuel prices have not increased as much as expected—

Mr Crean—Oh yeah!

Mr HOWARD—He says, ‘Oh yeah!’ There is always this sort of smart alec introduction, never an acknowledgment that this is in fact a quote from a report of the ACCC, which was the basis of the question that he asked me. The reality is that the ACCC does not support your assertion. If you look at the ACCC report, what the ACCC had to say was this:

The Commission’s analysis suggests that actual fuel prices have not increased as much as expected on the basis of movements in underlying factors, including historical wholesale and retail margins. This is not inconsistent with the suggestion that cost savings from the new tax system have been passed on.

What that does is support what the government has been saying now for four months, and that is that you had a discretionary cut in excise of 6.7c a litre and then in addition to that you had cost savings of 1½c a litre. Here is the ACCC saying that its analysis is not inconsistent with that proposition. So far from supporting what the Deputy Leader of the Opposition says, it is quite the reverse. Once again, the Deputy Leader of the Opposition is misleading the parliament.

Mr Crean—Mr Speaker, doesn’t that require a substantive—

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat or take a serious point of order.

Mr Crean—Mr Speaker, I take a serious point of order. Doesn’t that last statement require a substantive motion? If not, will he withdraw it?

Mr SPEAKER—The statement made by the Prime Minister was not inconsistent with statements I have heard made by both sides of the House in the period that I have been in the parliament, let alone in the chair, without a substantive motion.

Workplace Relations: Reform

Mr BARRERI (2.31 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, the labour market reforms introduced by the coalition have been instrumental in reducing unemployment, boosting productivity and increasing wages for the low paid. Would you inform the House of the future for workplace reform? Are you aware of any alternative views?

Mr REITH—I thank the member for Deakin for his question. He is very actively involved in the debates about workplace relations and I thank him for his work on that. The October edition of the Reserve Bank Bulletin said it all when referring to labour market reform to the effect that the key development in the 1990s has been the gradual move away from centralised wage fixing arrangements to a more decentralised enterprise based focus. That has brought real benefits to workers, particularly low paid workers, who have seen a significant increase in their real wages, namely their wages after inflation. Credit where credit is due; the Labor Party themselves in the early 1990s were advocating a shift to an enterprise based system because it would be good for workers. It is a pity they do not still advocate that position when the benefits for workers are so obvious.

Having made enterprise bargaining so central to the workplace relations system, the government is now, however, looking forward to see what further changes we can make to the system to make it even better in the future. Whilst we have not adopted any policy positions, I have on behalf of the government released some discussion papers looking at what might be a better system for both employers and employees in the future. Those papers canvass the option of moving to a national workplace relations system based on the corporations power instead of the existing conciliation and arbitration power. The BCA said:

The current system is extraordinarily complex, highly litigious, process driven and is hampering attempts to harness productivity gains that would come from a smoothly functioned system. You would be hard-pressed to disagree with that simple statement. Relying on old solutions for future challenges is clearly not the way to go, and we do need to be looking at a
better way. We have had 40,000 hits on the web site established to provide people with information and we have had other responses. For example, the Australian Industry Group says the papers are:

... welcome and constructive as an initiative. Further, it is immensely important to operate within a compatible and unifying workplace relations system.

The Financial Review said:

The proposals for a new industrial relations system deserve serious attention.

Further, it said:

What makes the issue more pressing now is that there have been significant changes to workplace relations over the past decade to focus more on enterprises rather than prescriptive industry-wide awards. But this process of change is being constrained by the primacy of conciliation and arbitration power.

The Democrats’ Senator Murray said that he sees merit in moving towards a single system. Even the Victorian Trades Hall Council, whilst not agreeing to just any unitary system, said that a single system will take interstate competitiveness out of the picture when issues such as company relocations are being discussed and it will also minimise much of what they say is the confusion about which system an employee should be in. Jeff Shaw, a recently retired Minister for Industrial Relations in New South Wales, says:

There is a technocratic case that could be made for a unitary system, and in part that case depends on the notion that many industries are across state borders. They are not confined to intrastate enterprises, and that is why for many industries federal regulations are appropriate.

That is an encouraging first response to what is a vital issue. From the government’s perspective, I think the two discussion papers are a fair and comprehensive examination of the issues. We do intend putting out some more before Christmas. I encourage people to look at these with an open mind. There is no doubt that, if you were starting afresh today with a blank sheet of paper, no-one in their right mind would say that it would be a good idea to have one federal system and six or seven systems duplicating it. We do need to look constructively at the future, and this government is committed to do so, using these discussion papers as a basis.

Australian Broadcasting Corporation: Funding Cuts

Mr STEPHEN SMITH (2.36 p.m.)—My question is to the Deputy Prime Minister, Leader of the National Party and Minister for Regional Services. Is the Deputy Prime Minister aware that on Sunday the ABC’s Managing Director, Mr Jonathan Shier, said:

I want the National Party to understand that they were wrong when they didn’t approve $194 million for the ABC in February ... that’s when the ABC wanted the help of the National Party and the help of the government.

Does the Deputy Prime Minister recall ruling out additional ABC funding this financial year when he said on Sunday Sunrise that the ABC should do ‘more with less’? Deputy Prime Minister, given that you were not present at last night’s meeting with Mr Shier, did you ensure that your National Party colleagues advised Mr Shier of the government’s decision to refuse to consider additional funding for the ABC?

Mr ANDERSON—I thank the honourable member for his question. I think it is fair to say that in recent times the National Party has sought to highlight the importance of the public broadcaster in terms of its role as a provider of information to people in many parts of this country who do not, for example, have the luxury of being able to order a newspaper to be thrown over the back fence every morning. But, having said that, let me just make a couple of points.

Opposition members interjecting—

Mr ANDERSON—No, I was not there last night. I was filling in for the Prime Minister, at a very important function with the Leader of the Opposition, as a matter of fact—the Paralympics function in Sydney last night. I am meeting with the aforesaid gentleman later this week and we will be making it quite plain—we will continue to—that we believe that the services offered by the ABC as part of its responsibilities, its charter, in rural and regional Australia are very important. I would make it quite plain that there are no grounds for them saying that they should be immune from having to
do more with less. As I have said, in rural and regional areas we have been learning how to do that for a very long time with problems with commodity prices and declining terms of trade.

The fact of the matter is that we had to make certain broad budgetary decisions, when we got into government, over the mess that we inherited from you and the ABC have had a responsibility to work within those guidelines. I believe it is very important that they seek not only to deliver quality programs but to do so in an efficient, timely and cost-effective way.

**Migration: Parent Category Visas**

**Mrs Gallus** (2.39 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Would the minister inform the House of this year’s planned number of visas to allow parents of Australians to migrate and the financial implications of that program? Is the minister aware of other policies which would expand the number of visas granted to parents for permanent entry into Australia?

**Mr Ruddock**—I thank the member for Hindmarsh for her question on this matter. The government has been guided very much in this area, in terms of the number of visas that will be granted to parents, by conducting a program of migration which is in the national interest and one which maintains public confidence. As a result, we allocated this year 500 places for aged parents and a further 750 for the disallowed but reinstated concessional class. Of course, we do recognise that that comes at a cost. It is a cost to taxpayers because aged parents are unlikely to add to the tax base but they still incur higher health and welfare benefit costs to the budget. It is estimated that, on average, each aged parent will incur about $6,000 a year in health costs and that more than half will make claims on our welfare system. It is further estimated that, on average, aged parents, after arrival in Australia, will live for a further 20 years. So, conservatively, it is estimated that each parent can incur costs of at least $200,000 over his or her lifetime. The government did try to address this matter by asking families to make a reasonable contribution to these lifetime costs.
‘inhumane and unreasonable’. He affirms that the Labor Party will increase the quota to 6,000 a year if it comes to power after the next election.

Opposition members—That’s wrong!

Mr RUDDOCK—I would be happy to hear the correction. Let me say what the implications would be so that it is clear—

Opposition members interjecting—

Mr SPEAKER—The minister will resume his seat. Member for Prospect, Deputy Leader of the Opposition, Member for Bowman! The minister is entitled to be heard in silence.

Mr RUDDOCK—The important point in relation to this is that, based on the figures I gave earlier, if you were to admit 6,000 people under those concessional arrangements, the lifetime costs would add $1.2 billion to the costs carried by taxpayers. If it were 6,000 a year, it would be $1.2 billion for the second year and $1.2 billion for the third year—the lifetime costs would be added. It is important that there is an open discussion of these matters. If the Labor Party has a policy on it, let’s hear what it is; let’s know what the numbers are. Let there be no walking both sides of the street. Do not assume that you can go to a function, speak to people and hold out hopes to them that there will be increases in the parent category and that the community generally will not be told of what the potential cost to the budget would be.

Minister for Employment, Workplace Relations and Small Business: Telecard

Mr TANNER (2.46 p.m.)—My question is to the Prime Minister. Do you stand by your statement of 11 October in this House that the first either you or your department knew about the Department of Finance and Administration’s investigation concerning Mr Reith’s telecard was in May? When was the first time your office became aware of the investigation?

Mr HOWARD—I answered this question on 11 October, and I stick by the answer I gave.

New Apprenticeships Scheme

Mrs GASH (2.47 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister advise the House about recent initiatives to promote the New Apprenticeships system in rural and regional Australia? Is the minister aware of any alternative policies?

Dr KEMP—I thank the member for Gilmore for her question, and I want to take this opportunity to congratulate her for the outstanding initiatives to help young people which she has been supporting in her electorate. There are currently some 95,000 participants in New Apprenticeships in regional Australia. That is approximately twice the number there were when this government came to office. Over the last four years, some quarter of a million Australians have been helped through the New Apprenticeships system in rural and regional Australia.

Last Monday I launched in Nowra the latest phase of the communication campaign about New Apprenticeships for regional Australia. We believe that the New Apprenticeships system has got a tremendous capacity to help young people and communities throughout this country, because New Apprenticeships give young people the opportunity to get training and skills in their community. They do not have to go away from the community to pick up world-class, nationally recognised skills that will be helpful to the businesses in those communities. Businesses in regional Australia are helped by the New Apprenticeships system because they can develop the skills in the community rather than having to buy those skills, perhaps at great cost, from one of the larger population centres. I make the point that New Apprenticeships provide unique opportunities for the 85,600 family owned commercial farms in Australia which have the capacity to participate in this scheme. The government would like to see more and more participation in the New Apprenticeships system throughout rural and regional Australia. It helps to build the social fabric of the local communities and the economies throughout the country.

Contrast the government’s achievements in this area with what the other side has offered. I am asked in this question whether there are any alternatives that I am aware of. The fact is that there are no alternatives.
When it was in office, the Labor Party cut the heart out of the apprenticeship system. The number of young people in apprenticeships and traineeships was the lowest for three decades. It is quite clear that if the Labor Party came to power they would reinstate the trade union movement in control of the system, and it would have the same disastrous effect on opportunities for young people in the future as it had in the past when the Labor Party was in office. The Howard government is building real job opportunities for young people in rural Australia. It is helping businesses in rural Australia to be competitive and to improve their bottom line, and it is laying the foundations for much more prosperous and socially harmonious communities.

Minister for Employment, Workplace Relations and Small Business: Telecard

Mr BEAZLEY (2.51 p.m.)—My question is further to the question that was asked by the member for Melbourne. I ask the Prime Minister: do you recollect your answer on 11 October when you said:

Subject, of course with something like that, to checking again the record, my best recollection—without doing that checking—is that the first either I or my department knew about it was in May, as indicated by the minister.

Have you done that checking, Prime Minister? Does that proposition, which you said applied to you and your department, also apply formally or informally to any member of your office?

Mr HOWARD—The answer to the first question is: yes. I have done that checking, and the secretary of my department has confirmed that the department had no prior knowledge of the matter before May. The answer to the second question is: yes, it applies to my staff. My understanding is that the first my staff had any inkling of this matter was when a senior member said that Mr Reith was writing to me about an urgent matter and that he would seek to see me later that day. To the best of my recollection, that was 8 May.

Pork Industry: Export Markets

Mr IAN MACFARLANE (2.52 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister outline to the House Australia’s successes in accessing the Singapore pork market? What has the government done to help the pork industry establish a viable and secure export market for pork?

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan is warned.

Mr TRUSS—I thank the member for Groom for the question. The electorate of Groom has a very important pig industry which makes a significant contribution to the local economy.

Mr Hawker—As does Wannon.

Mr TRUSS—As do quite a number of other electorates—that is true. Earlier today, the Treasurer reported on Australia’s excellent trade performance in the past month. In his response, he mentioned the fact that agricultural exports reached an all-time record. That is a real tribute to Australian farmers who are developing a tremendous export culture. Included among those are Australian pork producers. The pork industry has grown significantly in its exports, particularly into the market of Singapore, which has grown from virtually nothing at the beginning of last year to exports of over $95 million in the last 12 months. In fact, we are currently sending about 2,000 tonnes of pork a month into that vital Singaporean market.

Last week, I was in Singapore to launch the Singapore Market Alliance Program, which is designed to underpin the market penetration of Australian pork products and to guarantee that those arrangements are strengthened and maintained. I had the opportunity in Singapore to open a new boning plant which is a joint venture between Auspork and Oh Tau Tee Pigs, which will exclusively market or be involved in the supply of Australian pork into that vital market. The Singapore Market Alliance is jointly funded by the Australian government and the industry and will certainly help enhance the opportunities for chilled Australian pork into that very significant market. The Confederation of Australian Pork Exporters are working with the local industry to market Australian pork under the brand AIRPORK. Under
that name, we will strengthen the image not only as a reliable product but as one which has been provided promptly in the holds of aircraft travelling between Australia and Singapore. The pork will indeed have flown very promptly from the Australian farm to the Singaporean markets and that is very attractive.

As a part of this initiative, not only are we going to underpin and promote the brand name AIRPORK but we are also going to encourage the development of the chilled chain to demonstrate that Australian pork is delivered as world-class product able to meet the demanding standards of the Singaporean market. This is another example of the success of an Australian farming industry and is a further illustration of the success of this government’s $24 million pork industry development plan. This particular step is an example of what can be achieved when an industry develops a strong export focus and works cooperatively with the government and its markets to achieve long-term export performance.

Minister for Employment, Workplace Relations and Small Business: Telecard

Mr BEAZLEY (2.56 p.m.)—Pigs might fly, Mr Speaker. My question is to the Prime Minister. Do you recall saying in 1997, after you had sacked the then Minister for Administrative Services, Mr Jull, that he ‘should have ensured that I was notified of the repayment and readjustment of travel allowances by Messrs Sharp and McGurran’? What system did you set up to ensure that in future you would always be notified where ministers are under investigation in relation to their entitlements? How do you explain the fact that neither you, your office or your department were notified of the DOFA investigation into Minister Reith’s telecard until May this year, a full eight months after the investigation was launched, eight months after referral to the AFP was first suggested, eight months after it was known that $50,000 was at risk?

Mr Ross Cameron—How long can he go on?

Mr SPEAKER—The member for Parramatta will excuse himself from the House under the provisions of 304A.

Mr HOWARD—The remarks that I made in 1997 were against the background of arrangements that had been in place in relation to the payment of entitlements. As I always do in cases like this, I would want to check exactly what I said in 1997, but those remarks would have been made against that background. I point out to the Leader of the Opposition that the investigation by the Department of Finance and Administration in relation to the minister’s telecard was being carried out against a set of protocols established by Senator Minchin when he was the Special Minister of State, which involved the establishment of an audit process and the establishment of a committee to ensure that, as is appropriate in cases like this, the investigation was kept, to the proper extent, at arm’s length from ministerial involvement to ensure that there was a completely objective approach adopted.

It remains the reality in this case that the minister came to see me in May after a number of discussions between him and the Department of Finance and Administration. This was against a background of not having been informed until late August the previous year of the misuse of the card—a proposition that has not been dented by anything that has been said over the past few weeks. I have said on a number of occasions, and I say it again, that nothing has transpired either in this place or elsewhere that has essentially dented the proposition that was put to me by the minister. He came to me in May. I sought the advice of the Attorney-General. The Attorney-General advised that there should be a police investigation and, importantly, the Attorney-General advised that the question of payment of the money should wait until receipt of the police report.
As soon as I knew of this matter, I facilitated the reference of the thing to the Australian Federal Police. I awaited the report, and we sought the advice of the Solicitor-General. The opposition will naturally ask questions on the matter—I fully expect that to be the case, and I welcome any questions they may ask—but the essential narrative that was given to me by the minister in May this year has not been dented by all the hectares of newsprint or all the questions or all the abuse that has been hurled at the minister by the opposition and others over past weeks. He has acknowledged the error that he made. He has paid the money in full. If there are any other questions the opposition has to ask, I will be very happy to answer them.

Goods and Services Tax: Benefits

Mr St CLAIR (3.01 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Would the minister inform the House of any recent developments showing that Australians are receiving the full benefits of the new tax system? What is the government doing to ensure that consumers continue to enjoy these benefits?

Mr HOCKEY—I thank the member for New England for his question. Last week the inflation figure was released. It indicated that the impact of the GST on prices was certainly less than expected. This makes some comments by the Leader of the Opposition a littler earlier in the year look a little foolish. On 2GB in May the Leader of the Opposition stated, ‘The government has botched on the calculation of the price effects.’ He went on to say at the Labor conference in Queensland in June—and these are the exact words—

“You will remember we said these things about John Howard’s GST. The Howard government grossly underestimated price rises.

The survey from the ACCC, released in conjunction with the evidence from the CPI last week, indicates that 45 per cent of all items surveyed by the ACCC fell in price after the introduction of the GST. This follows on from another comment from the Leader of the Opposition, who said, ‘I don’t believe any prices are going to fall when the GST comes in.’ Those were the words of the Leader of the Opposition. The ACCC has found that there was no evidence of widespread opportunistic pricing intended to raise margins immediately after the GST changes. This makes a lie of all the allegations made by the Labor Party. It shows the Labor Party up for what it is: it is a fraud, as exemplified by the fact that we have not heard the word ‘roll-back’ for some time now. What happened to the policy that was the basis for all the allegations made by the Labor Party in the lead-up to the introduction of the GST? The Deputy Leader of the Opposition said in May 2000, ‘We believe that the budget still underestimates what the true inflation effect will be.’ The inflation effect came in last week at less than anyone expected.

No-one showed more contempt for the people of Australia than the opposition in the lead-up to the introduction of the GST. When we sent out eight million price guides from the ACCC, the Deputy Leader of the Opposition described this as an embarrassment. The Deputy Leader of the Opposition was waving pyjamas in this place, the member for Wills was waving magazines and the member for Bass was waving a local newspaper. We all remember that. The Labor Party were shameful in their contempt for consumers in the lead-up to the introduction of the GST. The CPI figures that came out last week are proof positive that the best and most vigilant watchdogs are the consumers of Australia. Those consumers of Australia, with the support of the ACCC, will continue to watch the impact of the new tax system on prices. That will continue for a two-year period. Next year, on 1 July, with the abolition of financial institutions duty and the abolition of stamp duty on the transfer of shares, prices will come down even further. That is good news for consumers. It proves that the Labor Party peddle lies. It shows them for what they are: they are people who hold the consumers of Australia in contempt.

Minister for Employment, Workplace Relations and Small Business: Telecard

Mr BEAZLEY (3.06 p.m.)—My question is to the Prime Minister and follows the question I asked him previously. Prime Minister, given that you sacked the former Minister for Administrative Services, Mr Jull, for
a gap of a lesser period, have you indicated to Minister Ellison that you have found the eight-month gap in advising you of the circumstances of your minister acceptable? If it is acceptable, what guidelines will you establish for him in the future? If it is not acceptable, what have you done about it?

Mr HOWARD—I believe that the procedures and approach adopted by Senator Ellison were proper. I have discussed the matter with Senator Ellison and I do not believe that the way in which he has handled the matter warrants any kind of reprimand. I am fascinated that this question should emanate from the Leader of the Opposition. I am reminded of a story written by somebody who does not always reflect favourably on me or the government—that is Mr Alan Ramsey, of the Sydney Morning Herald. He had this to say in relation to an issue that will be easily recalled by most members of the House. He starts by saying:

In hindsight what a joke. From the moment the word police was mentioned, the matter was settled in three weeks. It was the bureaucrats who had wanted the police called in. It was the politicians who kept them out. Beazley and Evans, with the Government's apparent support, were responsible. Their Departments acquiesced only after the two ministers resolved the problem behind closed doors.

That, of course, is a reference to the behaviour of the Leader of the Opposition and the former Attorney-General in September 1983. The reality in this particular case is that, as soon as ministers knew of allegations of improper use of this card, investigative procedures were put in train. I repeat what I said in answer to earlier questions: nothing has been brought forward that dents in any way the proposition put to me by the Minister for Employment, Workplace Relations and Small Business when he came to see me in May that, until August of the previous year, he did not know—nor, I am informed, did Senator Ellison know; nor, I am informed, did the Minister for Finance and Administration know—of the possible misuse of his card. As soon as we knew, a proper, transparent procedure was put in place under the mentioned protocols established in the Department of Finance and Administration. Far from the matter—in the words of Alan Ramsey—being resolved behind closed doors, as soon as it came to me it was sent to the Australian Federal Police and we sought the advice of the Solicitor-General. You did not send him to the Federal Police. You settled it behind closed doors. The Beazley-Evans protocol was to keep the police out. Our approach at all times has been, as soon as a suggestion was brought to ministers, to establish a proper procedure. When it came to me I sent it off to the Australian Federal Police. I got the advice of the first law officer. I got the advice of the Solicitor-General. If you want to look at deplorable standards for handling these issues, look at the standards of Beazley and Evans in 1983.

Aviation: Essendon Airport

Mr McARTHUR (3.11 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Is the minister aware of the concerns throughout Victoria about the possible closure of Essendon Airport? Would the minister reassure the House that the government will protect the interests of regional Victoria by keeping the airport open?

Mr O’Connor interjecting—

Mr ANDERSON—I thank the honourable member for his question. As a matter of fact, because of the lobbying and the concerns he has expressed on behalf of regional Victorians, I could hardly not be aware of the importance of Essendon Airport. He, like other Victorian country members, has constantly reminded me that Essendon is a key transport link between regional Victoria and its capital city. That airport is estimated to now handle around 18,000 regional aircraft movements a year. It is, amongst other things, the home of the Victorian air ambulance and the Victorian police air wing. I heard a Victorian Labor member, the member for Corio, a moment ago saying something to the effect that we ought to be sticking up for it. He might want to talk to the Victorian Labor government, because they have been saying they want to close Essendon. They have been saying they want to shut it down. They have not been showing any commitment to regional Victoria at all. It is we who have been standing up for it. Unlike the Australian Labor Party, we recognise
that Essendon is a very important part of Victoria’s transport infrastructure. It is also an important source of employment. The airport employs about 105 businesses, believe it or not, and it employs over 1,000 people.

So, in the face of this, the government has decided that Essendon Airport will remain open as an operational airport. We will sell our shares in Essendon Airport Ltd. EAL, the company, has a 50-year lease over the airport, and the purchaser will be required to continue operating the site as an airport. So we have recognised that that airport is a vital part of Victoria’s rural and regional transport linkages. We will ensure, at the same time as ensuring that the airport remains open, that residents in the area are protected from high noise levels. We have been prepared to do for regional Victoria what the Labor Party has not been prepared to do.

Minister for Employment, Workplace Relations and Small Business: Telecard

Mr BEAZLEY (3.14 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall being asked in the House on 12 October:

Prior to advising the Department of Finance and Administration of the problems with the minister’s telecard in August 1999, on which occasions, and with which minister’s office or department, did Telstra raise concerns regarding the minister’s telecard?

Do you recall answering:

I will seek some advice on that.

Prime Minister, given your spokesman’s statement that you were told about one of these occasions immediately after question time, will you confirm that you did seek advice on this issue? Will you now tell the House on which occasions and with which minister’s office or department Telstra raised concerns regarding the minister’s telecard?

Mr HOWARD—The situation is that after that question time I was informed—and this has subsequently been confirmed—that there was a low level contact between Telstra and the Department of Finance and Administration. I think it was in July; I would have to check that. Apparently an officer of Telstra thought there was a discrepancy in that there had been a usage of the card in one part of the country and a very quick usage of the card in another part, and that seemed unlikely. Then a check was made, so I am informed, of the travel records of the minister, and the usage was consistent with what was revealed in the travel records. As a result, the matter was not taken any further and, as a result, the matter was not referred to the Minister for Finance and Administration, it was not referred to the Special Minister of State and it was not referred to the minister for workplace relations. Once again it is consistent with what I have been saying for about three weeks: nothing has emerged which has in any way dented the narrative that was given to me by the minister when he came to see me in May. I invite the Leader of the Opposition tomorrow—because we have now reached our 20 questions—if he has further particular matters he wants to ask me about, to go ahead and do so. I understand his interest in this and I am open to further questioning on it tomorrow.

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

PERSONAL EXPLANATIONS

Mr CREAN (Hotham) (3.18 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr CREAN—Yes.

Mr SPEAKER—Please proceed.

Opposition members interjecting—

Mr SPEAKER—I will be taking very swift action if people like the Deputy Leader of the Opposition cannot be heard in silence by members on my left. I do not have eyes in the back of my head.

Mr CREAN—I have been misrepresented by the Minister for Immigration and Multicultural Affairs today in an answer to a question from his own side. In question time today he claimed that I promised an increase in the aged parents immigration category to 6,000, based on a report in the Sing Tao newspaper. The report was wrong; I made no such statement.
Ms MACKLIN (Jagajaga) (3.19 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Ms MACKLIN—Yes.

Mr SPEAKER—Please proceed.

Ms MACKLIN—Yesterday in question time the Minister for Health and Aged Care said that, during a recent ABC radio interview in Rockhampton, I had responded ‘Really?’ to a statement by the presenter that the biggest social program is the public health system. As the minister for health would know if he was telling the truth, my response to the statement was not ‘Really?’, it was ‘Sure is.’ I went on to say, ‘We will be putting additional funding into public hospitals above and beyond any other issue in health.’

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:


Aboriginal and Torres Strait Islander Commission - Aboriginal and Torres Strait Islander Commission (ATSIC) Annual Report 1999 – 2000, including Auditor-General’s Report – section 72 of


Debate (on motion by Mr McMullan) adjourned.

BUSINESS

Motion (by Mr Reith) — by leave — agreed to:

That for the sitting on Wednesday, 1 November 2000 so much of the standing and sessional orders be suspended as would prevent:

(1) the question — That the House do now adjourn — being put at 7 p.m. and any business under discussion and not disposed of at that time being set down on the Notice Paper for the next sitting, and

(2) if at 7.30 p.m., the question before the House is — That the House do now adjourn — the Speaker interrupting debate and adjourning the House until its next sitting.

MATTERS OF PUBLIC IMPORTANCE

Members of Parliament: Entitlements

Mr SPEAKER — I have received a letter from the Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the government to ensure the independent auditing of parliamentarians’ entitlements and a credible ministerial code of conduct.

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 BEAZLEY (Brand—Leader of the Opposition) (3.22 p.m.) — It was very interesting in question time today to see the Prime Minister go for the lifebelt. That business about Colston—which I will point out very briefly because it is only vaguely germane to the set of propositions here today—was for emergency use only, when in a bit of trouble. When we saw the body language of the Prime Minister as he struggled to make absolutely certain that he did not contradict any statements he might previously have made and then went across to the box to drag it out, we knew that we had struck gold—they had hit the panic button. Let me put the Colston matter in perspective, to know where the government come from. I must say on Colston that I find it passing strange being criticised by a group that actively inveigled this fellow to stand aside from his party loyalty in order to promote him to the deputy presidency of the Senate, that had the Prime Minister’s office directly engage in the process of providing him with the extra staff that the Labor Party had always refused him just to make sure that the defection stuck and then stuck by him for days and weeks after it was revealed that he was a rorter. Now we find, of course, him cheerfully still there in place and no prosecution. That is their defence.

But let me go back to the specific instance to which the government refers in relation to Colston. That came from a set of documents which the Prime Minister quite improperly and inappropriately leaked from the record of a previous government. He sought after the fact my permission to leak the documents, but the interesting thing was that I granted permission on the basis that I saw all the documents that were being passed across — and I did not. I was not made privy to all those documents. Let me tell you one that I was not made privy to, part of which subsequently appeared in one article but was not given to any of the other journalists involved at the time. That was a document dated 18 September, signed by the Secretary to the Attorney-General’s Department, Pat Brazil, and Acting Crown Solicitor, Tom Sherman, which made it clear beyond argument that ministers did not ignore, overrule or act inconsistently with the advice of those
officers on the question of a police investigation in relation to Colston.

That is very interesting—a document which I was not given, despite the fact that I had given permission for those documents to be released on the basis that I saw them all. That was a massive breach of propriety in handling the matters of a previous government. That document, as I said, was vouchsafed, as I understand it, to only one journalist and not made available to the others, and it was made available on a partial basis. It is of a piece with the way in which this government has played fast and loose with all the rules, all the standards, that have been accepted by previous governments in relation to their conduct as ministers, in relation to their supervision of parliamentary entitlements and in relation to their dealing with an opposition once a government. Frankly, if the Prime Minister wants to keep referring to ex-Senator Colston’s situation in this chamber, we could not be more pleased, because it stands as one of those initial stamps on the forehead of this government of its willingness to do anything, say anything and inveigle anyone into any position to get its way irrespective of the legalities and the proprieties. That is why, among other things, we actually need to start to get in place a set of transparent reporting and investigative mechanisms associated with both the situation of our parliamentary entitlements and the ministerial code of conduct.

On the actual Reith matter, the defence of this government is now tinder dry. It has painted itself into every conceivable corner. The corner the government has painted itself into is this: if anything were to occur to show that there was a report, a call or a visitation from Telstra to the office of any of those ministers prior to the date set, it has misled the House. If any information on Mr Reith’s situation went into the Prime Minister’s office or department at any time prior to that date in May, it has misled the House. You can go through all the government’s answers now and what you see is that its defence is tinder dry. It is going to be very interesting to see what emerges on these matters when additional estimates are considered and when further questioning takes place in this House.

This is not a matter that is simply going to disappear, as the government seems to want. The relief when we started off with a few other questions was palpable and very telling across the government benches. Of course, as I have said before, any opposition has to be able to chew gum and walk at the same time. We have to hold the government accountable in relation to parliamentary standards and we have to hold it accountable in relation to the plethora of policy issues which have now caused most Australians to believe that this government acts for the few and not for the many, that it operates under double standards and that it is imposing burdens on ordinary Australian families in their education system, their health system and in many other areas of social policy which they can no longer bear. So the obligation on the opposition is to be able to deal with all these matters simultaneously, and the good news is that we can. But we would be assisted if we were able to get a bipartisan agreement now on what this parliament desperately needs both to protect its members and to give the public the confidence that members of parliament are here not to feather their own nests but to act on the public’s behalf and that members’ remunerations and entitlements are not to feather their own nests but to facilitate their representative duties. That is what those entitlements are all about—be it the travel entitlements, the telephone cards, the offices or the secretaries associated with those offices. These entitlements are designed to ensure that parliamentary representation on behalf of constituents is effective.

I think the government understands that that is the case too. The government has had under consideration—I was going to say ‘for months’ but it is, in fact, years—variations to the ministerial code of conduct, a document to that effect, and I understand also a different document in relation to benefits associated with members of parliament and reporting mechanisms associated with those. Those documents—and I understand that at least one of them is around in draft form—have sat there along with the government’s responses to about four reports on innovation and science, the government’s response to a second Sydney airport and the government’s
response to a very fast train. There is a marvellous cartoon in the *Sydney Morning Herald* on this, Mr Deputy Speaker, but I know that your boss has the view that we ought not to put it about.

Mr DEPUTY SPEAKER (Mr Nehl)—I share his view.

Mr BEAZLEY—I will show it to you instead of everyone else so that you can have an opportunity to look at the extent to which this government’s inability to reach decisions is now becoming a matter of public notoriety. We will hold the government accountable on those other matters. We suggest now that the government follow us down a road that we suggested at the last election, having taken a look at the problems that were associated with parliamentary entitlements, and put in place an independent auditing process to guarantee that the operation of those entitlements is both transparent and properly supervised. We gave notice in another place of a bill—and I will introduce that bill in the House—that would establish such an independent audit. As I said, this is not a new proposal from the Australian Labor Party; it is what we went to the last election with.

Under this legislation the auditor’s functions would include the ability to receive and investigate complaints about the possible misuse of parliamentary entitlements and allowances; to undertake sample audits of the use of parliamentary entitlements and allowances by individual members or groups of members of either house of the parliament or by persons employed or engaged under the MOPS Act; to make recommendations to the minister or to either house of the parliament for changes to the system of parliamentary allowances and entitlements; and to provide advice to individual members of either house of parliament, on request, or to persons employed or engaged under the MOPS Act on ethical issues connected with the use of a person’s parliamentary allowances and entitlements. There are other powers as well that we suggest the independent auditor should have. I notice the member for Calare has put forward a proposition that suggests the tabling, a couple of times a year, of the exercise of our various entitlements. I have no problems with that and would incorporate it in the legislation. But it needs more.

The Commonwealth Auditor-General cannot do this task. The Commonwealth Auditor-General is responsible for the full $150 billion-plus worth of outlays that the Commonwealth has under his purview and is obliged to run across all departments, with a very limited staff and often in very difficult circumstances. His reports are always highly historical. What we need to guarantee the acceptability of behaviour in the public mind and the acceptability of our own behaviour is a process much more timely than that. This is a protection for us and it is a guarantee to the public that we are exercising our entitlements in this place not for our own benefit but on their behalf.

The second thing that we need from this government—it is also in that too-hard basket—is a ministerial code of conduct, because more than four years into this government there is no operative code of conduct. A set of guidelines was announced by the Prime Minister shortly after he came into office. It was not a set of guidelines: it was a code of conduct. ‘Guidelines’ was a term that we used more frequently later on. That code of conduct, he said, was something new. Of course, it was not. It was a set of practices that had been established under previous Labor and Liberal governments. Nevertheless, he chose to imply that it was something new and he wanted to bring it to the proper conduct of government in this country. He said this about it on 7 May:

> The guidelines that were laid down in this document will be complied with in full.

That was quite an unequivocal statement at that time. The government had been in office less than seven months when one minister—the Assistant Treasurer, Jim Short—was forced to resign over conflicts of interest with his shareholdings. Three days later, Parliamentary Secretary Brian Gibson resigned over his share portfolio. Early in the next year, in 1997, Bob Woods announced his retirement and was later shown to be under investigation for travel rorts. In September 1997, John Sharp, David Jull and
Peter McGauran were forced out over travel rorts. By 1998, the Prime Minister had decided he had had enough. When Warwick Parer was accused of a conflict of interest for holding something like $2 million worth of shares in a coal company while he was Minister for Resources and Energy, the Prime Minister finally said, ‘Enough already. I am not going to see these guidelines tested any more.’ What he had to say in defence of the indefensible on this occasion was, ‘At the end of the day, they are guidelines; they are not a death sentence.’ They certainly were not a death sentence for any minister from that point on, starting with Mr Parer. This was followed by the situation concerning Mr Entsch when it was discovered, to the surprise of everybody in this parliament, that included among acceptable practices by ministers was having contracts of governments in which they serve. This came as a surprise to many members. After we had gone through every conceivable area of conflict of interest, that had to be the absolute rock bottom of parliamentary accountability.

Since then, we have been waiting for a set of ministerial guidelines that the public, the media and the rest of us in this parliament can comprehend. We are told they are around—like the decision on the very fast train, like the decision on a second Sydney airport, like the response to four reports to the Prime Minister on science and innovation and education issues, like a further response to the higher education problems that were revealed in the aborted cabinet submission on higher education funding. Everything has been placed in the too-hard basket. But when accountability goes in the too-hard basket, so does confidence in democracy. We propose positive solutions and we urge the government to take them on board.

Mr DEPUTY SPEAKER (Mr Nehl) | I call the Minister for Unemployment Services.

Opposition members interjecting—

Mr DEPUTY SPEAKER | I call the Minister for Employment Services. Order! You have had your fun.

Mr ABBOTT (Warringah—Minister for Employment Services) | (3.37 p.m.)—After all the nice things I said about you, Mr Deputy Speaker! What we have seen from the Leader of the Opposition over the last two days in this parliament is nothing but a fishing expedition as ill starred and unsuccessful as Robert Hughes’s last expedition to the coast near Broome. The most that the opposition has been able to tell us today is that an investigation took place and the Prime Minister was not told of it until it was over. That is the only charge that the opposition has been able to come up with as a result of its last two days of constant questioning. To say it is a terrible scandal that the Prime Minister was not told of this investigation until it was over is really a little bit rich coming from a former Minister for Finance who was responsible for a $10 billion deterioration in the Commonwealth’s financial position and who has expected the Australian people, since 1996, to believe that he was not told about it until after the election.

We have seen today in this MPI a desperate bid by a failed opposition leader to extract the last possible ounce of political juice from a controversy which is now dead. I refer the House to an article by Glenn Milne in a recent edition of the Australian in which he states:

The truth of it is the Reith crisis has been an undeserved godsend to Labor. There is a growing dissatisfaction at senior levels with Kim Beazley’s seeming inability or unwillingness to develop a public policy alternative to the Coalition.

The frontbench—that is, the Labor frontbench—keeps putting into Beazley’s office but nothing comes back, leading one senior figure to call it: “The black hole theory of policy development.”

We are debating this subject today not because of any fundamental weakness in the system governing the administration of entitlements but because of a fundamental weakness in the character and political personality of the Leader of the Opposition.

Members of parliament entitlements are administered by the Department of Finance and Administration and are subject to audit by the Auditor-General. The Auditor-General has an independent discretion. On the other hand, he can be tasked by the government of
the day or by the Public Accounts Commit-
tee of the parliament. That is the system that
we have. In this case the system did not work
perfectly—but no system is perfect—and
certainly the Labor Party’s cure is far worse
than the disease. In the end, every system
depends for its success upon having good
people in charge. I want to say to the House
again that the Minister for Employment,
Workplace Relations and Small Business
acted with perfect impropriety—

Opposition members interjecting—

Mr ABBOTT—I have got your problem,
Mr Deputy Speaker. He acted with perfect
propriety once the initial mistake was made.
As soon as he knew, he called for a full in-
vestigation of the matter. As soon as that
investigation was completed, he went to the
Prime Minister. The Prime Minister commis-
sioned a police inquiry. The Prime Minister
subsequently commissioned a Solicitor-
General’s inquiry. The upshot of all of these
inquiries is that every last cent of the
$50,000 which was improperly spent has
been paid back. There is not a single cent
lost to the taxpayer because of this matter.
What we see now is the Labor Party de-
manding a hugely more expensive system to
chase money which has been paid back un-
der the system that we have. After the initial
mistake—and anyone can make a mistake—
this system worked well. It worked well be-
cause we have an honest minister and we
have an honest Prime Minister, and two hon-
est men made the system work.

As I said, all systems depend on the qual-
ity of the men and the women in charge to
make them work. Let us look at the quality
of the men and women on the other side of
this House who wish one day to be in charge
of a system of entitlements. We have a case
where this March Senator Crossin, a Labor
senator from the Northern Territory, lent her
car to her son who lent it to his girlfriend and
there was subsequently a fatal car crash. This
is obviously a tragedy, but in addition to that
there has been a technical breach of parlia-
mentary entitlements. If cars provided to
members of parliament at taxpayers’ expense
are to be used for private purposes by others,
then members of parliament must authorise
that use in writing. The difference between

Peter Reith’s breach of entitlements and
Senator Crossin’s breach of entitlements is
that Peter Reith has made good his breach:
he has paid back the money.

The Leader of the Opposition got ex-
tremely upset when he was reminded by the
Prime Minister today of the way he handled
the breach of entitlements by Senator Col-
ston, as he then was, in the years when he
had responsibility for the administration of
that system. Listening to the Leader of the
Opposition today, you would think that he
has learnt quite a lot since his Colston years,
that he has learnt quite a lot since he was the
minister responsible for these matters in
those days. Let us look at exactly what the
Leader of the Opposition has done over the
Crossin matter. On 31 March this year, the
Northern Territory News reported that
Senator Crossin’s government vehicle was
involved in a fatal car accident. You would
think that an intelligent and well-informed
Leader of the Opposition would be conscious
of this kind of report in a respectable news-
paper like the Northern Territory News. On
the weekend in the Australian Senator
Faulkner wrote:

Neither I nor Mr Beazley were aware of the issue
of the authorisation of the driver of Senator
Crossin’s car before last weekend.

That is what they tell us, and I am prepared
to believe them because that is the kind of
person I am. But the fact is that there was a
breach of entitlement. It should not have
happened. It did happen. The Leader of the
Opposition should have known about it and
he should have done something about it. We
have had a consistent cover-up on this mat-
ter. On 20 October Senator Crossin said, ‘I
don’t want to talk at all about that. Why are
you asking this now? I’m not giving you any
information about this whatsoever.’ This is
Senator Crossin talking about her breach of
entitlements. On 21 October she said that the
authority of the driver in the accident has
never been an issue. Then, on 25 October,
she said that on the night of the accident the
driver of her vehicle was a person who was
authorised by her and that she had since con-
firmed this authorisation in writing to the
Department of Finance and Administration.
She was asked by a reporter the following
When you crossed those t’s and dotted those i’s this week, was that the first time that you put Jennifer Byrne’s name in writing? Senator Crossin said that it was not. The reporter asked her whether she was saying it was done some time before. Crossin said that it was. The reporter asked, just to make things absolutely clear, whether she was absolutely confident in that.

Mrs Draper interjecting—

Mr DEPUTY SPEAKER (Mr Nehl)— The member for Hindmarsh will be silent.

Mr ABBOTT—Senator Crossin said that was correct. It is now known that the faxed authorisation for Jennifer Byrne and other family and staff members was sent to the Department of Finance and Administration just the day before Senator Crossin made those statements. How did the ALP justify this cover-up and this misuse of entitlements? Senator Faulkner said that, in the case of the Peter Reith abuse of the telecard issue, there had been a cover-up by government, a whole range of conflicting stories, with different witnesses saying different things. That is exactly what has been happening in the Senator Crossin case. Senator Crossin tried to avoid the issue. She tried to cover it up. She told conflicting stories. And she tried to deny any responsibility. I am not accusing Senator Crossin in this place of anything worse than being a human being under pressure, but I am accusing members opposite, particularly the Leader of the Opposition, of the rankest and most monumental hypocrisy and double standards. When the Leader of the Opposition finally had this serious issue drawn to his attention, what did he say? The Northern Territory News of 27 October reported him as saying that he would question Senator Crossin over the authorisation of her Commonwealth car.

Let us suppose for a moment that the Minister for Employment, Workplace Relations and Small Business had lent his car to Paul Reith, who had lent it to someone else, who had had a fatal car crash while that person was under the influence. What do we think the Leader of the Opposition would be saying? The Leader of the Opposition would be standing up here in this place and saying, ‘Did the minister for employment know that his son and his son’s girlfriend have a substance problem, because if he did he would have blood on his hands?’ That is the kind of thing that we would be getting from the Leader of the Opposition in this place in an exactly comparable situation to that of the minister for employment.

Instead, the Leader of the Opposition has made excuse after excuse for someone on his own side. I ask this question: is the Leader of the Opposition likely to come into this parliament and make a statement saying, ‘This is what I asked Senator Crossin, this is what Senator Crossin told me, and this is what I think really happened’? Of course he is not. The Leader of the Opposition will have pursued his interrogation of Senator Crossin with all the intensity and all the fervour with which he pursued the leak hunt for the front-bencher who described the shadow Aboriginal affairs ministry as equivalent to the toilet cleaner in the Titanic. If it is done at all, it will not be done well, and that, unfortunately for Australia, is the story of this Leader of the Opposition’s political life.

The Leader of the Opposition, in his MPI, is calling for an independent auditing of parliamentarians’ entitlements. What he is really saying in all of this is that members of parliament—his colleagues, Labor members of parliament—cannot be trusted. He is saying that Labor members of parliament—and members on this side—cannot be trusted to run their offices, cannot be trusted with the entitlements they have. That is what the Leader of the Opposition is saying. He is smearing every single member of this House; he is saying that all members of this House, on either side of parliament, are expected to be responsible for every last paper clip and every last photocopying machine and its use, right throughout their offices. What he is really doing is smearing every MP in this House in an attempt to attack the Prime Minister and the minister for employment. What is he really trying to do? It is a pathetic attempt by him to show—

Mr Leo McLeay interjecting—

Mr DEPUTY SPEAKER (Mr Nehl)— The member for Watson will try to control himself. I know it is difficult.
Mr ABBOTT—that what he really has is the mongrel in him which Della Bosca so famously said he lacked. It is interesting that there is a need for an independent auditing of parliamentary entitlements. The reason for that is quite clear. He believes that, should he ever occupy the great office of Prime Minister, he would be completely and utterly incapable of policing a system himself. In this demand for an independent auditor to run this, he is confessing that he, if he ever got to be Prime Minister, would lack the guts, the intestinal fortitude, the character, the ticker, to do the job himself. This is a Leader of the Opposition who cannot say no to anyone except the current government.

Members opposite talk about probity. When they clean up the Queensland electoral rorts, they can come and talk to us about probity. Has the Leader of the Opposition called in the member for Lilley, who was state secretary in 1991 and 1993, and said, ‘Were you responsible for any dodgy enrolments? How many people did you put on the electoral roll?’ When he has answered those questions, he can talk to us about probity. Has he said to former senator Belinda Neal, ‘Just what are your dealings with the New South Wales government? Just what is the relationship between Mr Della Bosca, you and companies that have been given contracts by the New South Wales government?’ Of course, he has not done any of these things because he has no ticker, and on this issue he has exposed himself as being not only a sanctimonious windbag but a sanctimonious humbug. (Time expired)

Mr TANNER (Melbourne) (3.52 p.m.)—That diatribe came from the man who had David Oldfield working for him in his electorate office engaging in inappropriate activities and misusing the phones. It also came from the man who told us during the republic campaign that you could not trust politicians. Now, apparently, you can trust politicians! We can look after our own entitlements! We can decide whether or not we are in fact in breach of our entitlements! That contribution from the Minister for Employment Services needs to be treated with the contempt that it deserves.

It is time for this House to focus on the broader issues that arise from the Reith scandal. It is obvious to everybody in this country and should be obvious to everybody in this parliament that there are serious flaws in the way in which these matters are dealt with. If we treat the issue of parliamentary democracy seriously and if we believe it is the best way in our society to make decisions, to resolve issues, to help people and to deal with matters that are of serious import to the nation, then it is vital that we protect and restore the good name of this institution. That can be done, but one of the key things that is required in order to do that is to ensure that the entitlements we get as members of parliament are not abused and where there is an accusation that they are abused it is dealt with in an open and transparent and independent way. We cannot afford to under estimate the potency of this issue amongst people in the general community.

There is always a certain amount of ‘agin the system’ in our country, and that is a good thing: it helps to keep politicians honest; it helps to keep decision makers honest. But when that transcends into a general, deep bitterness and cynicism, when it mutates into an authoritarian mentality that says that democracy, the system of parliamentary representation, is rotten to the core, that is when you get circumstances such as the rise of One Nation. You get intolerance. You get, ultimately, authoritarian forms of government. It is of fundamental importance to our society that we deal with these issues properly and that we go beyond simply the sort of outrageous mudslinging and point scoring that the minister has just sought to engage in, by smearing people in a variety of ways that have absolutely nothing to do with the issues that have been produced today. Cynicism in moderation is a good thing because it helps to ensure scrutiny. It helps to ensure public probity. But once it takes over it turns into destructive nihilism. It leads to consequences that are far removed from the original intentions of those people who are cynical.

The first place we have to start is with our own behaviour and with the way that our behaviour is policed. However unfair it may be that people generalise about politicians,
including the minister, that is not restricted to politicians. There are many people in our community who will tell you that all doctors are greedy or all journalists are drunks or all police are corrupt. They are wrong, but they generalise from individual examples, and that is precisely what has been occurring in this situation. We need to dispassionately examine the events in this matter. We need to understand precisely why there has been such an enormous outpouring of community anger on this issue and set better standards on the way that these issues are dealt with in this parliament and the procedures that are associated with them. I will not go to the minister’s outrageous attacks on Senator Crossin, but I will make one fundamental point that he misses on this issue. That is that Kim Beazley is the Leader of the Opposition. He is not in charge of the entitlements system. He is not in charge of the Department of Finance and Administration. He is not the person to whom Senator Crossin must account. Senator Crossin, like the rest of us, must account to the parliament and to the department of finance and ultimately to the Special Minister of State, the Minister for Finance and Administration and the Prime Minister. That is your fundamental error in that analogy, Minister.

We must think clearly about the events and about the issues that have arisen as a result of the Reith telecard affair. There is clearly no proper checking mechanism in place with respect to how these phone accounts are used. There should be a way of putting in place such a mechanism that does not involve breaching the privacy of individual members; for example, some form of arrangement with Telstra. It is no good blaming the former Labor government for putting in place these arrangements. The former Labor government disappeared nearly five years ago. You are in charge. You are responsible for these arrangements and, irrespective of what has occurred in 1989 or 1991, you have been in charge in government over these arrangements over the past 4½ years. The question is: what are you going to do to fix the problem? It is not what somebody else may or may not have done seven years ago or 11 years ago, but what are you going to do to fix the problem.

When the issue was raised by Telstra in July 1998, no proper check was done then. No alarm bells were rung. There was no attempt made to even contact the office of the Minister for Employment, Workplace Relations and Small Business, much less the minister—if you believe the minister’s version. When the problem was raised with the Special Minister of State in September 1999, in spite of the recommendation of the department, the Federal Police were not involved. Some mysterious, murky departmental committee sat down and started to work through the issue for eight months, for some reason that is really difficult to understand. We are told that the Prime Minister was not told for eight months that one of his ministers had been caught breaching the Remuneration Tribunal guidelines, thereby breaching the ministerial code of conduct. The Prime Minister would like us to believe that he simply was not told about this—that this was such a trivial matter that it did not really have to cross his desk.

We have the situation where the person investigating the issue, the person in charge of the investigation, is a junior minister in a government where the person being investigated is an extremely senior minister and someone who on some media accounts—accounts I find hard to treat seriously, I must confess, but nonetheless some media accounts—could be his leader in the not too distant future, deciding whether he continues to be a minister or not. Yet this is a perfectly appropriate situation to have, where that junior minister, the Special Minister of State, can be investigating the issues associated with this minister which could ultimately lead to the destruction of his political career!

The conclusion we have to draw from these points is that there is an unarguable case to put in place an independent, objective umpire, an auditor of parliamentary allowances and entitlements. These issues will be raised in future, because one of the few things the minister said correctly is that people in all walks of life are human and we will encounter these issues in the future. That is why we need to put in place now an independent mechanism for dealing with these matters in a transparent and accountable way.
And that is why Senator Faulkner and the Leader of the Opposition are putting forward the Auditor of Parliamentary Allowances and Entitlements Bill. This bill will establish an independent audit officer of the parliament who will have complete discretion in the performance and exercise of his or her function and powers, will have complete authority to determine whether to inquire into a particular matter, how to go about inquiring and what priority to give that inquiry, and will be able to make spot checks on compliance. The appointment will be a 10-year appointment, with consultation with the Joint Committee of Public Accounts and Audit. Inquiries can be done, either on his or her own initiative or through reference, for any person or any organisation. Of course, the auditor will have full powers to gather evidence, obtain documents and pursue all inquiries.

We may well consider how the Reith telecard matter might have been dealt with had this system been in place. We would have had a warning from Telstra. The Department of Finance and Administration would then have contacted the minister and, as soon as the department formed the view that there was an irregularity, it would then have had to notify the auditor of the situation, who would then have launched his or her inquiry and investigation. In my view, although this ultimately would be a matter for the auditor, the minister would then have been told, ‘Any money that is not recovered by the Commonwealth you will be liable to pay, and you should make that commitment right now that that is what is going to occur.’ The auditor would then have been able to make the decision very quickly as to whether or not it was appropriate for the Federal Police to be involved.

If that sort of process were in place, I think people in the community would accept it as a reasonable process and a genuinely independent and objective process which they could have some faith in. They would have knowledge that if a particular minister, however powerful and important that minister may be in the government, has done the wrong thing, the situation will be dealt with fairly and objectively and will be assessed properly. That is not what the current situation provides, and the community anger that we have witnessed over the past few weeks reveals that people want fairness and objectivity in the way that these things are dealt with. They want them dealt with expeditiously and they do not want political interference. They do not want cover-ups of the sort that we have seen attempted time and time again in this situation. They want to see a fair outcome. They want to see ministers held accountable, they want to see backbenchers held accountable and they want to see ministerial standards that actually mean something, that are actually respected when there is an issue raised. This is why we need an independent auditor of parliamentary allowances and entitlements, and this is why the Australian people want accountability and honesty in the way that we deal with our parliamentary entitlements.

Mr BAIRD (Cook) (4.02 p.m.)—Listening to the opposition speakers’ extraordinary performance, one would never have believed that their government was in for 13 years and they took no opportunity for any reforms in this area at all. When they were in government, it was a bit like the old prayer, ‘Make me pure, but not just yet.’ The reality is that they are full of ideas when they get into opposition on how the system can be reformed, but this is the opposition whose numbers in government we well remember being dominated by the Richos of this world who produced the book Whatever it takes, and the Paul Keatings who managed to have two addresses and claim TA wherever he was located around the country. He claimed TA for when he was in Canberra and had a house here and was living in Canberra. This is the opposition that has two ministers in the New South Wales government that have clear conflicts of interest now—Labor ministers in Labor governments. This is the opposition that knew for so long about Senator Mal Colston, what he was up to and the rorts he was undertaking. The Leader of the Opposition knew this full well; it has been well documented for some years. He knew all about it but decided to let things go. They lecture us on probity, integrity and honesty. All we can do is sit back and say, ‘We had 13 years to observe how you went about the
process in terms of honesty and integrity, and what we saw when you were in power was a government that lacked both.'

We have a minister in Peter Reith who has done an outstanding job for the community. He is one of the top performers of the government and has produced significant reforms that have benefited all those out in the workplace. We have seen the number of people working increase by some 800,000. There have been new jobs created in the workplace and there has been a freeing up and deregulation of the workplace, allowing workplace agreements to be in place. This is a person of integrity. Of course they love to watch and to move whenever they see any slight slip at all. The minister admitted that he made a mistake, and I think that should be enough. He has rectified the situation. He has paid back the money. If you trace the steps in which he has been involved, he undertook an investigation with Telstra. That was reviewed. When he was finally believed that some fraud had taken place in relation to the card, the police were called in. He advised the Prime Minister. He has been open all along about the whole process.

If we look at the government and how it has performed, I believe a number of steps have been taken on ministerial conduct, for one. I cannot believe that in this MPI these words appear:

The failure of the Government to ensure the independent auditing of parliamentarians’ entitlements and a credible Ministerial Code of Conduct.

What hypocrisy! Where was the opposition’s code of conduct for people to see? I would like to see where it is and I would like to see it tabled. We know that in reality no such code of conduct existed. This is hypocrisy. Perhaps the member for Kingsford-Smith is about to table that. Thank you, Laurie, for that. We look forward to seeing it. It was in the bottom drawer and they had a look and said, ‘Have we got this and that? No. She’ll be right, mate,’ and away it goes. It was this government that introduced a ministerial code of conduct. It was this government that put in place the appropriate levels.

Then it ignored them.

Mr Baird—It certainly did not ignore the code. Look at the number of resignations that were taken on the basis of that code of conduct. When you were in opposition, you simply outlined the basis thus: ‘You should have a ministerial code of conduct that meets these (a), (b) and (c) criteria.’ What absolute and total hypocrisy! If you look at the entitlements under review at the moment, you see that in fact the present system of entitlements, which deals with things such as telecards, the vehicles used by all parliamentarians, the phones in our electorate offices, our mobile phones and other entitlements to get the job done, was put in place by the Labor government. In fact, it was Senator Bolkus, the Labor senator for South Australia who was the minister responsible at the time, who established the procedures under which the misuse of our colleagues’ telecard was able to occur for such a long time. Senator Bolkus, citing the privacy of senators and members, said that only an unitemised account of calls should be provided. This has remained the case since 1995. We are all provided with a monthly consolidated figure.

So this is the reality: you guys had the chance to put something in place and did not. You are the ones who wanted unitemised accounts and now you bring in this new enlightenment, the Renaissance of integrity and honestly. Let us look at your own example. The government has made the appropriate changes. Travel costs are now all itemised, so that you can actually check what expenditure has actually been debited against your account. It does not go into some missing black hole where you cannot check it; it now comes out every month and you are able to provide a reconciliation of your own records. The travel allowance must be submitted within 60 days. The use of Comcars must be presented to the parliament so that they can be accounted for. The postage allowance has been modified so that members and senators are not inadvertently put at risk by the accumulation of credits and electorate office mail franking machines. Finally, the use of telecards has now been greatly improved. The cost of any telecard use will now be separated out into a monthly report and last year DOFA also began to tighten the monitoring of these accounts. These are some of the
changes that this government has produced to provide greater accountability and greater integrity in the way the government operates and in the level of accountability of members of parliament.

Let us look at the cheap shots that have been provided. Let us look at the ministerial code of conduct alone. Let us look at New South Wales, for example, right now. I refer to the *Sydney Morning Herald* editorial on Thursday, 19 October, which says:

The public interest in knowing the financial affairs of ministers is clear. It outlines the reason for that in the first paragraph and says:

Yet what the public knows of ministers’ affairs is very limited. Ministers must make written statements of assets, including property and shareholdings, for tabling in parliament. But the limited usefulness of such statements is well demonstrated by the case of the Special Minister of State and Deputy Treasurer in the Carr Government, Mr Della Bosca.

That is a name familiar to all of the members here: he was the one who blew the whistle and declared for Australia that the GST was in fact a fair system and that there was no way that the opposition should be opposing it— to the embarrassment of those opposite. He declared one part of his interest, in that he had an interest in Chinchilla on the Bay, but not disclosed were several important facts. There was the fact that his wife was a codirector and that she was also a director of HiTech and that HiTech had actually gained, through the government in January, preferred supplier status until 2003, which puts HiTech at an advantage in competing for work as a supplier of IT specialists to government agencies. The editorial goes on to say that many people would see this as having a clear conflict of interest between Mr Della Bosca’s duties as a minister and his interests in the fortunes of HiTech. It says:

True, there is a code of conduct of ministers. It talks a lot about ethics and conflict of interest. It clearly requires disclosure of the sort of information that gives rise to concern here. But under the code as it stands, disclosure is only to the Premier.

It concludes by saying:

This is highly unsatisfactory. As matters stand, Mr Della Bosca’s position as a minister is seriously compromised. A new ministerial code has been promised for many years. This case shows why a code that provides for full and open disclosure of potential conflicts of interests should be introduced, without delay.

It is this government that produced such a code of conduct. It is this government that provided the necessary changes to the entitlements of members and, of course, it is a Labor government in New South Wales that has a minister with a clear conflict of interest regarding his responsibilities and the companies he administers. There is no suggestion by anybody in this House that there is any conflict of interest by the minister who has been the subject of this attack by the opposition. We see, of course, this hypocrisy by the opposition over standards. On the one hand they say, ‘We need a new standard of conduct. We need an independent arbiter.’ But they never did a thing for 13 years, and across Australia the Labor Party has rorted the system like it is going out of style. *(Time expired)*

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

**COMMITTEES**

**Selection Committee**

**Report**

**Mr NEHL (Cowper)—** I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members business on Monday, 6 November 2000. The report will be printed in today’s *Hansard* and the items accorded priority for debate will be published in the *Notice Paper* for the next sitting.

*The report read as follows—*

**COMMITTEE AND DELEGATION REPORTS**

**Presentation and statements**

1 **ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION—STANDING COMMITTEE:** Review of the Australian Prudential Regulation Authority: Who guards the guardians? *The Committee determined that statements on the report may be made — statements to conclude by 12.50 p.m.*
Speech time limits — Each Member speaking — 5 minutes.
[proposed Members speaking = 4 x 5 mins]
PRIVATE MEMBERS BUSINESS
Order of precedence
Notices
1 MS GAMBARO: to move:
That this House:
(1) recognises that the restaurant and café industry makes a significant contribution to the Australian economy, having an estimated gross profit of $3.3 billion and employing over 188 000 Australians;
(2) acknowledges the contribution the restaurant and café industry makes to Australia’s tourism income, with visitors spending an average $328 on food during their stay in Australia; and
(3) recognises the importance placed on the apprenticeship scheme by the Government, increasing the positions available in traineeships, and noting its beneficial impact for training in the restaurant industry. (Notice given 11 May 2000.)
Time allotted — Until 1.20 p.m.
Speech time limits —
Mover of motion — 10 minutes.
First Opposition Member speaking — 10 minutes.
Other Members — 5 minutes each.
[proposed Members speaking = 2 x 10 mins, 2 x 5 mins]
The Committee determined that consideration of this matter should continue on a future day.
2 MR LATHAM: to move:
That this House:
(1) recognises the potential of Internet democracy as a way of fostering greater public participation in politics and rebuilding public trust in democratic processes;
(2) notes the US experience in conducting elections through Internet voting, plus the development of mass participation in Internet polls;
(3) notes the strong interest of the Australian Electoral Commission in the development of Internet voting; and
(4) recognises the need to reform representative democracy and create a charter of issues and governmental responsibilities determined by direct democracy. (Notice given 31 May 2000.)
Time allotted — Until 1.45 p.m.
Speech time limits —
Mover of motion — 10 minutes.
Other Members — 5 minutes each.
[proposed Members speaking = 2 x 10 mins, 2 x 5 mins]
The Committee determined that consideration of this matter should continue on a future day.
3 MR CHARLES: to move:
That this House encourages the Australian research and development community, both public and private, and the motor vehicle manufacturing industry to move as rapidly as possible to embrace the emerging hydrogen economy and to place Australia at the forefront of the development of hydrogen as an energy carrier to replace carbon and commends General Motors for its “HydroGen 1” hydrogen fuel electric car. (Notice given 22 June 2000.)
Time allotted — 30 minutes.
Speech time limits —
Mover of motion — 10 minutes.
First Opposition Member speaking — 10 minutes.
Other Members — 5 minutes each.
[proposed Members speaking = 1 x 10 mins, 3 x 5 mins]
The Committee determined that consideration of this matter should continue on a future day.
4 MRS CROSIO: to move:
That this House:
(1) congratulates the countries of Argentina, Austria, Belgium, Benin, Bolivia, Bulgaria, Chile, Colombia, Costa Rica, Croatia, Cuba, Czech Republic, Denmark, Dominican Republic, Ecuador, Finland, France, Germany, Ghana, Greece, Iceland, Indonesia, Italy, Liechtenstein, Luxembourg, Mexico, Namibia, The Netherlands, Norway, Panama, Paraguay, The Philippines, Portugal, Senegal, Slovakia, Slovenia, Spain, Sweden, Thailand, the former Yugoslav Republic of Macedonia, Uruguay and Venezuela for being signatories to the Optional Protocol to the United Nations Convention on the Elimination of all forms of Discrimination Against Women (CEDAW);
(2) recognises the CEDAW as the only woman specific human rights mechanism at the international level;
(3) recognises that the Optional Protocol to the CEDAW is a major step forward in realising Governments’ commitments with regard to women’s human rights;
(4) recognises that the Optional Protocol to the CEDAW creates procedures for the United Nations to promote the enjoyment of human
rights to all women and the world-wide elimination of discrimination against women;
(5) recognises that signatories to the Optional Protocol to the CEDAW reject all forms of injustice and systemic discrimination suffered by women world-wide;
(6) recognises that the Optional Protocol provides a significant opportunity for women who have suffered from discrimination to seek justice through the United Nations;
(7) expresses concern at the significantly diminished role Australia is playing in the negotiations of the Optional Protocol to the CEDAW and the low priority given to the Optional Protocol by the Howard Government;
(8) calls on the Howard Government to take an active role in the negotiation process and to promote a speedy ratification of the Optional Protocol; and
(9) calls on the Howard Government to have Australia become a signatory to the Optional Protocol to the CEDAW. (Notice given 30 August 2000.)

BILLS RETURNED FROM THE SENATE
The following bills were returned from the Senate without amendment or request:
Telecommunications (Universal Service Levy) Amendment Bill 2000
Higher Education Funding Amendment Bill (No. 1) 2000
Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000

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

Consideration of Senate Message
Bill returned from the Senate with amendments.
Ordered that the amendments be taken into consideration at a later hour this day.

COPYRIGHT AMENDMENT (MORAL RIGHTS) BILL 1999

Second Reading
Debate resumed from 30 October, on motion by Mr Williams:
That the bill be now read a second time.

Mr WILLIAMS (Tangney—Attorney-General) (4.16 p.m.)—in reply—I would like to sum up the debate on this interesting bill, and, in so doing, I would like to thank the members for Fraser, Curtin, Barton and Mitchell for their contributions to the debate. The Copyright Amendment (Moral Rights) Bill 1999 is yet another achievement to add to the Howard government’s impressive record of copyright law reform. The bill will, for the first time, introduce comprehensive moral rights protection to Australia’s creative community. This has long been a goal of the government, and I am delighted to see the fruits of the extensive consultation process that led to this legislation—a consultation process that continued even after I introduced the bill into this place last December.

Labor was unable to achieve moral rights protection in 13 years of government, getting no further than an exposure draft of proposed amendments in February 1996. It is just a little rich, therefore, for the members on the
other side of the House to criticise the government for delaying this important reform. As has been stated in debate, the bill will address criticisms about Australia’s implementation of its obligations under article 6bis of the Berne Convention for the Protection of Literary and Artistic Works. More importantly, it will create a legal framework of respect for the creative work of authors, artists, composers and film-makers and for the enormous contribution they make to Australia’s culture and economy.

The bill implements two new moral rights, which are separate and distinct from the economic rights in a literary, dramatic, musical or artistic work or film. They are: the right of attribution of authorship—that is, the right to be named in connection with one’s work; and the right of integrity of authorship—that is, the right to object to treatment of a work that demeans one’s reputation. The bill also re-enacts and extends to films the existing right against false attribution of authorship currently contained in part 9 of the Copyright Act.

As honourable members would be aware, copyright law and policy are all about a balancing of interests. In the case of moral rights protection, this balance is a little easier to achieve because if reasonable respect is shown for the author of a work—as is the intention of these rights—users of the work will need no new licence or copyright clearance. Nevertheless, in order for the legislation to be workable in practice, a number of specific exceptions are set out in the bill—for example, in relation to alteration or demolition of buildings. The question of whether an act infringes an author’s moral rights is, under the bill, also subject to a general reasonableness exception. In addition, the bill allows consent to be given by an author of a literary, dramatic, musical or artistic work or by the maker of a film in relation to treatment of their works that might otherwise constitute moral rights infringement. While this has been a contentious issue, the government believes that this is an essential feature of the bill, and it has taken care to address the concerns raised, including through the amendments I will move shortly. The bill gives courts the discretion to choose from a wide range of remedies appropriate to the circumstances of each case, including ordering a public apology or requiring the reversal of a mistreatment of a work. The bill also makes it clear that, if a court is contemplating the grant of an injunction, it must first look at ways of encouraging the parties to settle.

As has been noted in the debate, films by their nature need different treatment compared with other works. In fact, the bill already recognises the different nature of films compared with literary, dramatic, musical and artistic works and is consistent with the treatment of such subject matter under the existing Copyright Act. The provisions that apply to films have been the subject of an agreement within the film and television industry, and I would like to take this opportunity to commend the representatives of both creators and producers for their willingness to work together to achieve a constructive outcome. I believe that the bill will foster innovation by encouraging respect for creators while at the same time balancing that against the reasonable needs and expectations of individuals and organisations that seek legitimately to exploit copyright material.

I turn now to address issues raised by honourable members during the debate on the bill. Both the member for Fraser and the member for Barton expressed concern about the application of the agreement reached by the film and television industry as the standard for all creators. The original moral rights legislation was withdrawn in 1998 after disagreement amongst interests over a couple of important but narrow issues. Following that withdrawal, the film and television industry formed a negotiating group, which conveyed to the government an agreed approach to those and a few other issues as regards moral rights in films. The government took the view that the film industry proposal, reflecting a consensus between what the member for Fraser acknowledged as a ‘broadly representative group’ of authors, producers and directors, was a good starting point for addressing the contentious issues in the original bill as regards films. In relation to the duration and application of the
moral right of integrity, representatives of authors of literary, dramatic, musical and artistic works argued—and the government accepted—that they should be treated differently from makers of films. For this reason, I will be moving amendments to provide that the right of integrity for work endures for the copyright term, whereas for films it ceases upon the author’s death, as agreed by the film industry group. The amendments will also address concerns about the application of moral rights to existing non-film works. This reflects the recommendation of the Senate committee that examined the 1997 bill.

The film industry proposal included recognition of coauthorship agreements. The bill will give legal effect to coauthorship agreements, between two or more authors of any work, that an infringement of the moral rights in the work can be brought only by all of them and not by one or some of them. I am aware of the Arts Law Centre’s objection to the extension of these agreements to authors outside the film industry, but at no stage has any valid reason been given for this position. Frankly, it is difficult to see how the provisions in the bill that facilitate the making of these agreements could be considered objectionable. The bill does not make them obligatory in any way and it will be purely a matter of choice for authors whether or not they enter into these agreements. I note that it would be hard, for instance, for a book publisher to try to induce an author to enter into a coauthorship agreement if the publisher was not a coauthor of the work in question. Also, moral rights can be held only by individuals and not by corporations.

Both the member for Fraser and the member for Barton criticised the provisions in the bill that make consent a defence to an action for moral rights infringement. I note that during debate on the 1997 bill, the member for Fraser acknowledged that ‘If such a bill were introduced by a Labor government, it would probably include a waiver provision.’ The government withdrew the original moral rights legislation because of lack of consensus on whether authors should be able to waive their moral rights.

Many in the arts community saw ‘waiver’ as the complete relinquishment of moral rights, to which authors might have to agree under pressure from economically powerful users of their works. On the other hand, the negotiating group of representatives of writers, directors and producers in the film industry proposed retention and refinement of the provision on consent by authors as a defence to infringement of moral rights. In response to these concerns and submissions, the term ‘waiver’ has been dropped from the bill and the provisions on consent retained and modified. The government amendments I will move shortly respond to further submissions on this issue.

For the moral rights scheme to be workable, the government considers—and, in a more lucid moment, the member for Fraser agrees—that it is necessary for there to be some provision allowing authors to consent to acts or omissions that would otherwise infringe their moral rights. I note the opposition’s concern about the inequality of bargaining power that may exist between, for example, an employee and an employer. However, for the defence to be effective, there must be ‘true consent’. There is ample support for the common law principle that a consent obtained by duress is no consent at all. The consent provision allows authors to decide for themselves what acts or omissions they will permit and whether or not it is in their interests to do so. It would be patronising to suggest that authors cannot decide this for themselves. The government believes that users of works are entitled to certainty as to the legal effect of consent by an author to acts that would infringe moral rights.

The member for Fraser also expressed concern about proposed section 195AT, which relates to architectural works. It was always the government’s intention that changes to buildings would not infringe the moral rights of authors of artistic works affected by such changes. This was the intention behind the corresponding provision of the original legislation. A respected copyright commentator expressed doubt that this intention was clear in the original provision. Consequently, in proposed subsections 195AT(2) and 195AT(3), the government has taken the opportunity to clarify the original intention that changes in buildings would not
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infringe the moral rights of the authors of artistic works so affected. Having said that, the government has accepted some submissions that owners of buildings could reasonably be made to show greater consideration to these authors. The amendments I will move to section 195AT will address these submissions. The member for Barton gave a number of vivid examples of ways in which works of art had been treated that compromised the integrity of their creator. Representatives from the Arts Law Centre and others in the arts community have drawn attention to artistic works that are created for a particular site but are not part of a building. Once again, I will be moving amendments to address these concerns.

The member for Barton also raised the issue of ISP liability for moral rights infringements. Government amendments to the bill will make it clear that not only the doing of acts but also the authorisation of those acts will constitute an infringement of moral rights. The member for Barton suggested that ISP liability be dealt with in a similar fashion as in the Copyright Amendment (Digital Agenda) Act 2000. Given the increasing relevance of digital technologies to the arts industry, this is indeed an important issue. The digital agenda act introduces new provisions which clarify and, in certain circumstances, limit the liability of service providers such as ISPs for third party copyright infringements. The digital agenda act provides that an ISP will not be directly liable for an infringing communication unless it has determined the content of that communication. The digital agenda act also provides that an ISP will not be liable merely because it has provided the facilities used to commit an infringement. In addition, the act provides a number of factors for a court to take into account in determining whether a service provider has authorised a third party infringement, such as whether the ISP has complied with an industry code of practice. I understand that the opposition will be moving an amendment on this issue in the Senate. I would be happy to talk to the opposition about an appropriate form of words to address the issue.

Finally, I endorse the comments of the member for Fraser in relation to the positive effect this legislation will have for indigenous artists. While I agree that this bill is not a complete answer to better protection for indigenous arts and cultural expressions, it is a positive step along that road. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr Williams (Tangney—Attorney-General) (4.28 p.m.)—by leave—I move government amendments Nos 1 to 25:

(1) Schedule 1, item 1, page 3 (lines 20 and 21), omit “for release”.

(2) Schedule 1, item 1, page 4 (after line 23), insert: “person representing the author, in relation to a possible infringement of any of an author’s moral rights in respect of a work, means a person who, under subsection 195AN(1) or (2), is entitled to exercise and enforce the moral right concerned.”

(3) Schedule 1, item 1, page 8 (line 13), after “affix”, insert “, or to authorise the inserting or affixing of,”.

(4) Schedule 1, item 1, page 10 (lines 13 to 16), omit subsection 195AG(2), substitute:

(2) Subsection (1) does not apply if:

(a) the effect of the alteration is insubstantial; or

(b) the alteration was required by law to be made, or was otherwise necessary to avoid a breach of any law.

(5) Schedule 1, item 1, page 10 (lines 26 to 29), omit subsection 195AH(2), substitute:

(2) Subsection (1) does not apply if:

(a) the effect of the alteration is insubstantial; or

(b) the alteration was required by law to be made, or was otherwise necessary to avoid a breach of any law.

(6) Schedule 1, item 1, page 12 (lines 13 to 17), omit subsections 195AM(1) and (2), substitute:

(1) An author’s right of integrity of authorship in respect of a cinematograph film continues in force until the author dies.
(2) An author’s right of integrity of authorship in respect of a work other than a cinematograph film continues in force until copyright ceases to subsist in the work.

(3) An author’s moral rights (other than the right of integrity of authorship) in respect of a work continue in force until copyright ceases to subsist in the work.

(7) Schedule 1, item 1, page 12 (line 20), after “authorship”, insert “in respect of a cinematograph film”.

(8) Schedule 1, item 1, page 13 (line 3), omit “affect”, substitute “effect”.

(9) Schedule 1, item 1, page 13 (lines 7 and 8), omit “does an attributable act in respect of the work without identifying”, substitute “does, or authorises the doing of, an attributable act in respect of the work without the identification of”.

(10) Schedule 1, item 1, page 13 (line 18), after “subjects the work”, insert “, or authorises the work to be subjected,”.

(11) Schedule 1, item 1, page 14 (lines 23 and 24), omit “does an attributable act in respect of a work does not, by failing to identify the author of the work”, substitute “does, or authorises the doing of, an attributable act in respect of a work does not, because the author of the work is not identified”.

(12) Schedule 1, item 1, page 15 (line 32), after “subjecting a work”, insert “, or authorising a work to be subjected,”.

(13) Schedule 1, item 1, page 16 (line 32), omit “work”, substitute “film”.

(14) Schedule 1, item 1, page 17 (line 13), after “author”, insert “, or a person representing the author,”.

(15) Schedule 1, item 1, page 17 (lines 16 to 19), omit subsection (2), substitute:

(2) A change in, or the relocation, demolition or destruction of, a building is not an infringement of the author’s right of integrity of authorship in respect of an artistic work that is affixed to or forms part of the building if:

(a) the owner of the building, after making reasonable inquiries, cannot discover the identity and location of the author or a person representing the author; or

(b) if paragraph (a) does not apply—the owner, in accordance with the regulations and before the change, relocation, demolition or destruction is carried out:

(i) has given the author or a person representing the author a written notice stating the owner’s intention to carry out the change, relocation, demolition or destruction and that the person to whom the notice was given may ask for access to the work within 3 weeks from the date of the notice, and containing such other information and particulars as are prescribed; and

(ii) if the person to whom the notice was given asks for access to the work before the end of the period of 3 weeks mentioned in sub-paragraph (i)—has given that person a further period of 3 weeks within which to have such access.

(16) Schedule 1, item 1, page 17 (lines 20 to 23), omit subsection (3), substitute:

(3) A change in, or the relocation, demolition or destruction of, a building is not an infringement of the author’s right of integrity of authorship in respect of the building, or in respect of any plans or instructions used in the construction of the building or a part of the building if:

(a) the owner of the building, after making reasonable inquiries, cannot discover the identity and location of the author or a person representing the author, or of any of the authors or persons representing the authors, as the case may be; or

(b) if paragraph (a) does not apply—the owner, in accordance with the regulations and before the change, relocation, demolition or destruction is carried out:

(i) has given the author or a person representing the author, or the authors or the persons representing the authors, whose identity and location the owner knows, a written notice stating the owner’s intention to carry out the change, relocation, demolition or destruction, and that the person to whom the notice was given may ask for access to the building within 3 weeks from the date of the notice, and containing such
other information and particulars as are prescribed; and

(ii) if a person to whom such a notice was given asks for access to the building within the period of 3 weeks mentioned in subparagraph (i)—has given that person a further period of 3 weeks within which to have such access.

(17) Schedule 1, item 1, page 17 (lines 24 and 25), omit “paragraph 195AG(1)(a)”; substitute “section 195AG”.

(18) Schedule 1, item 1, page 17 (after line 25), insert:

(4A) The removal or relocation by a person (the remover) of a moveable artistic work that is situated at a place that is accessible to the public, and was made for installation in that place, is not an infringement of the author’s right of integrity of authorship in respect of the work if the remover:

(a) after making reasonable inquiries, cannot discover the identity and location of the author or a person representing the author; or

(b) if paragraph (a) does not apply—in accordance with the regulations and before the removal or relocation is carried out:

(i) has given the author or a person representing the author a written notice stating the remover’s intention to carry out the removal or relocation and that the person to whom the notice was given may, within 3 weeks from the date of the notice, seek to consult with the remover about the removal or relocation or about having access to the work, or both, and containing such other information and particulars as are prescribed; and

(ii) if the person to whom the notice was given notifies the remover within the period of 3 weeks mentioned in subparagraph (i) that the person wishes to consult with the remover about the removal or relocation or about having access to the work, or both—has given the person a reasonable opportunity within a further period of 3 weeks so to consult or to have such access.

(19) Schedule 1, item 1, page 18 (lines 10 to 12), omit subsection 195AV(2), substitute:

(2) In subsection (1):

deals with does not include:

(a) distributes, except where the distribution is for the purposes of sale; or

(b) deals with by means of a dealing covered by paragraph 195AD(b), 195AD(c), 195AE(2)(b), 195AE(2)(c) or 195AF(2)(b) or subsection 195AG(1) or 195AH(1); or

(c) deals with by means of an exhibition that is an attributable act to which section 195AO applies or an exhibition to which subsection 195AQ(5) applies.

(20) Schedule 1, item 1, page 18 (line 16), at the end of subsection 195AW(1), add “or a person representing the author”.

(21) Schedule 1, item 1, page 18 (line 18), after “before”, insert “or after”.

(22) Schedule 1, item 1, page 18 (line 25), omit subsection (4), substitute:

(4) A consent may be given by an employee for the benefit of his or her employer in relation to all works made or to be made by the employee in the course of his or her employment.

(23) Schedule 1, item 1, page 19 (lines 3 to 6), omit subsection (7).

(24) Schedule 1, item 1, page 21 (line 28), after “authorship”, insert “in respect of a cinematograph film”.

(25) Schedule 1, item 1, page 25 (line 27) to page 26 (line 8), omit section 195AZM, substitute:

195AZM Application—right of attribution of authorship

(1) The right of attribution of authorship in respect of:

(a) a cinematograph film; or

(b) a literary, dramatic, musical or artistic work as included in a cinematograph film;

subsists only if the cinematograph film is made after the commencement of this Part.

(2) The right of attribution of authorship in respect of a literary, dramatic, musical or artistic work other than such a work as included in a cinematograph film subsists in respect of a work made before or after the commencement of this
Part but this Part only applies in relation to attributable acts done after that commencement.

Note: Subsection 22(1) explains when a literary, dramatic, musical or artistic work is taken to be made and paragraph 22(4)(a) explains when a cinematograph film is taken to be made.

195AZN Application—right not to have authorship falsely attributed
(1) The right not to have authorship falsely attributed subsists in respect of a work made before or after the commencement of this Part but this Part only applies in relation to acts of false attribution done after that commencement.

(2) Paragraph 195AD(b) or (c), 195AE(2)(b) or (c) or 195AF(2)(b) applies to an act of false attribution done after the commencement of this Part even if the name concerned was inserted or affixed before that commencement.

Note: Subsection 22(1) explains when a literary, dramatic, musical or artistic work is taken to be made and paragraph 22(4)(a) explains when a cinematograph film is taken to be made.

195AZO Application—right of integrity of authorship
(1) The right of integrity of authorship in respect of:

(a) a cinematograph film; or

(b) a literary, dramatic, musical or artistic work as included in a cinematograph film;

subsists only if the cinematograph film is made after the commencement of this Part.

(2) Subject to subsection (3), the right of integrity of authorship in respect of a literary, dramatic, musical or artistic work other than such a work as included in a cinematograph film:

(a) subsists in respect of a work made before the commencement of this Part only if the author of the work is living at that commencement; and

(b) subsists in respect of a work that is made after that commencement.

(3) This Part applies in relation to an infringement of a right of integrity of authorship that subsists in respect of a work under paragraph (2)(a) only if the infringement occurs after the commencement of this Part. However, an act referred to in paragraph 195AQ(3)(a), (b), (c), (d) or (e) or (4)(a), (b) or (c) is not an infringement if the relevant derogatory treatment occurred before that commencement.

Note: Subsection 22(1) explains when a literary, dramatic, musical or artistic work is taken to be made and paragraph 22(4)(a) explains when a cinematograph film is taken to be made.

Following the introduction of the Copyright Amendment (Moral Rights) Bill 1999 on 8 December last year, the government received a number of submissions from interests. While broadly supportive of the bill, these submissions raised some specific concerns about the way in which the bill implements moral rights protection. After further consultation with stakeholders, the government has devised a package of amendments which, we believe, address these concerns and strike a better balance for all. None of the amendments changes substantially the essential nature of the scheme of rights and remedies in the bill.

The amendments fall into four main categories: those which reflect the concerns of the film and television industry; those which relate to the duration and application of the right of integrity of authorship for literary, dramatic, musical and artistic works; those which relate to the right of integrity of authorship in relation to buildings and for moveable site-specific artistic works; and those of a technical or drafting nature. The first category of amendments includes a change to the definition of ‘cinematograph film’ by omitting the words ‘for release’. Examples of what would be regarded by the industry as ‘the complete and final version’ within that definition are provided in the supplementary explanatory memorandum. The other amendments in this category clarify the scope of consent under clause 195AW. They make it clear that a consent may be given in relation to acts or omissions that were done either before or after the consent was given and that, in the case of em-
ployees, a consent may be given in favour of their employers in respect of all works created or to be created in the course of their employment. One of the differences between the Copyright Amendment (Moral Rights) Bill 1999 and the Copyright Amendment Bill 1997 is the duration and application of the right of integrity of authorship. Unlike the 1997 bill, the 1999 bill provides that the right of integrity of authorship ceases upon the death of the author. Likewise, the 1999 bill limits the application of the right of integrity of authorship to future works and films. These changes reflect consultations with the film and television industry.

The second category of amendments recognises that different considerations apply in relation to literary, dramatic, musical and artistic works. Accordingly, the right of integrity of authorship in relation to such works will endure for the full copyright term and will apply in relation to existing works, provided that the author is alive at the time the bill comes into operation. Existing works, as included in films, will continue to be treated in the same way as films in that they will not be subject to the right of integrity. However, insofar as they originate and exist separately, they will continue to enjoy moral rights protection as separate works in their own right. This reinforces the differentiation between films and works already made by the bill, but the government believes that this simply reflects the different nature of films compared with works as already recognised in the existing act. I emphasise and commend the agreement of all parties in the film industry, including screenwriters and directors, with the different application of moral rights to films.

The third category of amendments relates to the exemption from infringement of the right of integrity in relation to buildings. The amendments require reasonable notice to be given to an author or person representing the author prior to a change in or demolition of a building, and for the author or person representing them to be granted access to the building. In recognition of the fact that not all site-specific artistic works will be part of a building, the government is proposing a new provision to deal with the removal of moveable artistic works made for installation at the place where they are situated, being a place that is accessible to the public. The obligation will be similar to that proposed for building authors: reasonable efforts to locate the artist, giving notice of the proposed removal, and an opportunity for the artist to visit the work and discuss the relocation. The final category of amendments deals with matters of a technical or a drafting nature. I believe these amendments enhance the package of rights in the Copyright Amendment (Moral Rights) Bill 1999 and will improve respect for authors, artists and film-makers alike without unreasonably broadening copyright for property owners. I present the supplementary explanatory memorandum for the government amendments.

Mr McMULLAN (Fraser) (4.33 p.m.)—Firstly, I would like to put on the record and make it crystal clear, not just to this minister but to the government, that the government cannot take for granted that the opposition will agree to amendments being taken together in circumstances where we do not get adequate notice of those amendments. As the minister knows, I had a serious concern with regard to this matter. I do appreciate that, when that concern was raised, the minister’s office made arrangements for advice to be forwarded and briefings to be given. While, from my point of view, that was somewhat belated, I appreciated it. In the normal course, therefore, we are here facilitating the passage of the Copyright Amendment (Moral Rights) Bill 1999 through the House because detailed analysis will take place in the Senate and we do not want to unnecessarily delay consideration of other bills. I want to put that on the record. This is not a one-off. I make it crystal clear that the assumption of a right to deal with amendments as a whole and to take them together cannot be made if other cooperative arrangements are not made in response. I guess you could call it mutual obligation.

We will not be opposing the amendments that the government has moved. We have not had enough of a chance to analyse them in detail. In the House we will not be opposing them because each of them is at least a step in the right direction. Some of them are quite
minor. We will not even bother to comment on them, as the Attorney himself did not in any detail. On the face of it, some amendments seem to address the concerns that were raised by me and the member for Barton, and some move in that direction but do not go far enough. At the moment, the best way to facilitate adequate consideration of this package is to say that we will not oppose these amendments here. I note and welcome the Attorney’s response and preparedness to discuss some of the issues raised by the member for Barton. I am sure that that is something to which he will respond. We will look at them in detail and consider those which we can support in the Senate. There may be some that we will simply oppose, but more likely we will seek to move further amendments and try to give such notice as we can about what those amendments might be.

In particular I am concerned that, with regard to clause 195AW, the government’s amendments do not seem to go anywhere towards addressing what I and many in the arts industry consider to be the most important deficiency of the bill: the extension of—the extension of— I will still call it a waiver because it is a de facto provision—the consent provision. I accept that something had to be done in the film industry. Like the minister, I welcome the agreement that has been achieved. I always stood out a little bit—somewhat unpopularly at one stage—in saying that something needed to be done in that sector, but why it needs to be extended elsewhere is not evident in anything that has been put by the minister today or in any other circumstance. I am surprised that the minister believes that the obligation to establish the circumstance for consent to take it away is on the people who have the right rather than on those who say that that consent process should be established. Why shouldn’t they have to make their argument and establish the case? In my view they have not established the case outside the film industry and nothing that has been said today changes that. I am concerned about that.

The government has gone some way in addressing our concerns in relation to the duration of the right of integrity. We are pleased that the proposed amendment appears to ensure that an author’s moral rights in respect of a work will continue in force until the copyright ceases to subsist in a work. That seems to us to be an appropriate step in at least the right direction. Clause 195AT concerns the destruction of artworks, and amendments (15), (16) and (18) do not seem to me to go far enough at this stage. I will give it a bit more thought before I express a final position. It does not adequately provide for what seems to me to be reasonable time to address issues in relation to changes or destruction of their work. (Extension of time granted) I will not extend this debate much longer. We have been seeking to cooperate in the passage of this bill now that we have that level of agreement. But I do want to make some initial responses to some of the other matters before us. I am not at this stage satisfied that we have adequately addressed the matter of the co-authorship agreements. Once again, I will need to give that a bit more time before I take a final view. The concern in relation to clause 195AZM seems to have been at least partly addressed. Let us hope that we can find an agreed form of words about that. I welcome what the Attorney has said about the indigenous artists’ situation. I think we need to find a mechanism to study this more. It may be that that is something one of the appropriate parliamentary committees might be able to give attention to, but I am not seeking to take it any further with regard to this bill. I am pleased with the progress that the bill makes on that matter and I do not seek any further amendment at this stage.

The problem we have here—and the Attorney referred to it but did not deal with it in his response—is the question of how you deal with protections surrounding agreement making between unequal parties. It is a problem the government has not just in this area; this is merely a microcosm of a larger problem. I think in a number of areas of public policy, movement towards agreement making as a process of settlement of issues is very important. But we need to establish a framework within which agreements can be reached that protect the interests of the weaker party. That is not in place here. Many in the visual arts in particular, and literary authors as well, are concerned about the fail-
ure to address this issue. They believe that with the extension of the film industry agreement to their sector, and given the balance of power that artists face in the powerful forces with whom they are often contracting, such as city councils and others, they will not be in a position to effectively protect their moral rights and that this legislation for them will be sound not so much indicating fury but certainly indicating nothing. They would therefore be very disappointed if the legislation passed in the form in which it currently stands, even with the amendments, improvements though they appear to be.

That is more than enough time taken at this stage. I will, of course, have to give this a lot more detailed consideration and consult with my colleagues and the other parties in the Senate to see where we take this matter with regard to amendments. I hope that we can find a mutually satisfactory set of amendments in the Senate that further modify this legislation so that we can finally put at least the first round of the saga of the extension of moral rights in Australia behind us. It is the goal that I share with the Attorney. I hope we can achieve it, but we have not achieved it yet.

Amendments agreed to.

Bill, as amended, agreed to.

Third Reading

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

BROADCASTING SERVICES AMENDMENT BILL (No. 4) 1999

Second Reading

Debate resumed from 9 December, on motion by Mr McGauran:

That the bill be now read a second time.

Mr BRERETON (Kingsford-Smith)

(4.43 p.m.)—I move:

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

‘whilst not declining to give this bill a second reading, the House, recognising the key role played by Radio Australia as our public international broadcaster in explaining Australia’s national values to the world, and in particular encouraging closer ties with our Asian and South Pacific neighbours, as well as serving the needs of Australians abroad:

(1) notes that the Howard Government’s funding cuts to our national public broadcaster, the Australian Broadcasting Corporation, have caused significant adverse funding cuts to Radio Australia;

(2) notes that these adverse cuts have only been partially restored by the Government’s recent decision to provide Radio Australia with an additional $9 million over 3 years;

(3) notes that the Howard Government’s decision to lease the Cox Peninsula transmitter facility has resulted in a severe diminution of Radio Australia’s transmission capacity and ability to reach audiences in Asia;

(4) notes that this capacity will only be partially restored even if Radio Australia can successfully negotiate transmission capacity from the Cox Peninsula transmitter facility from the current lease holders;

(5) condemns the Howard Government for this reduction in public funding and transmission capacity for Radio Australia;

(6) calls upon the Government to maximise Radio Australia’s capacity to communicate with our Asian and South Pacific neighbours and for the enhancement of its international broadcasting capacity;

(7) expresses its concern that the bill makes the Minister for Foreign Affairs and not the Minister for Communications, Information Technology and the Arts responsible for deciding on whether an application for an international broadcasting licence or whether an international broadcasting service is contrary to the national interest; and

(8) calls upon the Government to amend the bill to provide for the Minister for Foreign Affairs to advise the Minister for Communications, Information Technology and the Arts on whether an application for an international broadcasting service is contrary to the national interest’.

The Broadcasting Services Amendment Bill (No. 4) 1999 before the House today is but the latest episode in the sorry story of Australia’s overseas broadcasting during the life of this government. It is legislation which, the opposition points out, has been some
time in the making. It was way back in April of last year when the government first announced its intention to amend the Broadcasting Services Act 1992 to include a new licence category for international broadcasting services transmitted from Australia. In April of last year the Minister for Communications, Information Technology and the Arts and the Minister for Foreign Affairs—Senator Alston and Mr Downer—issued a joint statement which noted the absence of legislation specifically designed to regulate international broadcasting. On that occasion they expressed concern that any broadcaster with the appropriate transmitter licence and use of an international short-wave facility may transmit from Australia regardless of the impact these broadcasts may have on Australia’s national interests. This resultant legislation was originally introduced into the parliament in December of last year. The declared object of the bill is to ensure that international broadcasting services are not provided contrary to Australia’s national interest.

Under the licensing scheme to be established by the bill, all international short-wave radio services and all international satellite radio and television broadcasting services transmitted from Australia will be required to obtain an international broadcasting licence from the Australian Broadcasting Authority. That is what is envisaged. The ABA will refer applications for licences under the scheme to the Minister for Foreign Affairs for assessment of whether the proposed service will be contrary to Australia’s national interest. In determining whether an international broadcasting service is likely to harm the national interest, the foreign minister must have regard for the likely effect of the service on Australia’s international relations. The ABA is required to provide the minister with a report on whether a proposed international broadcasting service complies with the international broadcasting guidelines that will be formulated by the ABA. If, in the foreign minister’s opinion, the proposed international broadcasting service is likely to be contrary to Australia’s national interest, he or she may direct the ABA to refuse to allocate an international broadcasting licence to the applicant. If, on the other hand, the foreign minister decides that the broadcasting service is unlikely to be contrary to our national interest, he or she is to inform the ABA that there is no objection and the ABA will then allocate the licence to the applicant. The bill further confers on the foreign minister an ongoing power to protect the national interest after an international broadcasting licence has been issued. The foreign minister is empowered to direct the ABA to issue formal warnings or to suspend or cancel an international broadcasting licence if the minister is of the opinion that the service is contrary to Australia’s national interest.

At the outset the opposition raised significant concerns about this legislation, especially about the proposed role of the Minister for Foreign Affairs. We suggested that the bill required substantive, serious and considered deliberation. In February this year we ensured that the bill was referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee. That committee conducted an inquiry and completed a substantive report in April of this year. The amendments put forward by the government today do go some way to implementing the committee’s recommendations, including that the bill be amended so that the international broadcasting guidelines prepared by the ABA be a disallowable instrument and also that the foreign minister be required to report to parliament the reasons for a decision to refuse an international broadcasting licence or to suspend or cancel a licence where the minister has declined to provide a statement of reasons, as required by the Administrative Decisions (Judicial Review) Act 1977. However, the government has not made any response to the fundamental issue raised by the opposition in the additional statement to the Senate committee’s report—namely, the role of the Minister for Foreign Affairs. I would like to read part of the additional statement—a statement carefully considered by the opposition—which goes to the heart of this legislation. The committee said: It is the Minister for Foreign Affairs who decides whether a particular international broadcast service ... is contrary to the national interest in respect of international relations. At some time or another, foreign governments might make strong
representations to the Minister for Foreign Affairs for action to be taken against particular international broadcasts from Australia which they consider to be offensive or objectionable. Those governments might exploit the fact that the Minister is the statutory decision-maker under this legislation, thus putting the Minister under additional pressure.

The committee went on to point out:

In some cases, it would be a straightforward matter for the Minister to make a decision in the national interest that would at the same time satisfy foreign concerns. However, there may be sensitive cases where the national interest is served by the Minister making a decision that does not necessarily satisfy a foreign government. If decisions in respect of the national interest were the responsibility of the Minister for Communications, Information Technology and the Arts in a better position to handle pressure which may be applied by foreign governments. Although the Minister for Foreign Affairs would obviously advise the Minister for Communications, Information Technology and the Arts on the matter, he or she would not be responsible for the decision. Any lingering resentment on the part of the foreign government would most likely be defused at being directed at the Australian Government rather than focussed on the Minister for Foreign Affairs. This would clearly be in the interests of Australia’s international relations.

If the foreign minister were concerned about a particular international broadcast, he or she could take the initiative and advise the minister for communications to take appropriate action.

This bill may prove to be a flawed regulatory framework—one which may compound the sensitivities which could arise with regard to international broadcasting. One does not have to look far in Australia’s foreign relations to see this as a significant possibility. In effect, the bill sets the foreign minister up as chief censor of international broadcasting and as a lightening rod for potential diplomatic complaints. Foreign ministers may find themselves in an invidious position and our international relations may not be well served. With these considerations in mind, the opposition’s second reading amendment expresses our concern that the bill makes the Minister for Foreign Affairs and not the Minister for Communications, Information Technology and the Arts the decision maker in respect of international broadcasting licences. We call upon the government to amend the bill to provide for the foreign minister to advise the minister for communications on whether an application for an international broadcasting service is contrary to the national interest. This, we submit, would be a much more sound approach. As I have said, the government has made no response to the opposition’s concerns. This is a matter of regret.

I must say that the government’s handling of international broadcasting issues generally these past 4½ years gives us no confidence that the government has properly thought these matters through. As the opposition’s second reading amendment notes, the government’s funding cuts to the ABC caused significant funding cuts to Radio Australia. That is where this sorry saga began. Radio Australia was an organisation which we all recognised had long served this country—one of our truly valuable national assets—and had provided Australia with an influential voice in the Asia-Pacific region and beyond. Of course, in opposition, before coming to office in 1996, the coalition expressed strong support for Radio Australia. The coalition’s better communications platform, released prior to the 1996 election, was emphatic. It said:

The coalition is strongly supportive of Radio Australia’s existing services and will ensure that they are not prejudiced or downgraded in any way.

Of course, no sooner had the coalition come into government than Senator Alston set about hacking away at the ABC.

It is a matter of record that the Minister for Foreign Affairs, Mr Downer, opposed the Mansfield inquiry’s recommendation to close Radio Australia. In February 1997 he argued—correctly, I must say—that:

Radio Australia is a relatively cost effective way of conveying information to our region and projecting a positive image of Australia which helps position us to advance major Australian strategic, economic, trade and political objectives ... It has implications for many areas of Government policy [including] the marketing of our education services, of our science and technology skills, and our environmental know-how.
He said:
Dropping Radio Australia would have a double negative impact by reducing our capacity to project a positive image of ourselves while at the same time fuelling critics who question the Government’s commitment to engagement with the region.

Those words of the foreign minister are worth remembering today. The foreign minister put up the arguments, but he failed in the end to protect Radio Australia from the fiscal thugs in the coalition cabinet. The government slashed Radio Australia and switched off its modern Cox Peninsula transmitters, thereby effectively silencing Australia’s short-wave voice through much of East Asia and South Asia. Many of our neighbours were astonished by this stupid decision, which they interpreted as evidence of Australia turning inward and disengaging from our region. On the eve of Asia’s economic crisis and the turmoil in Indonesia and East Timor, slashing Radio Australia must rank as one of the most stupid public policy decisions of recent times. For his part, Senator Alston declared short wave to be an outdated technology. He declared it to be:

... of dramatically less significance in this day and age and even Foreign Affairs has very serious question marks about the effectiveness of Radio Australia’s service.

That is what Senator Alston said. Of course, that was not the view of the Department of Foreign Affairs and Trade and it certainly was not the view of the numerous international broadcasters who quickly lined up hoping to buy access to the Cox Peninsula facility. Today we hear the government acknowledging that ‘significant growth in international broadcasting is expected’ and that ‘Australia is likely to be a base for some services broadcasting to the region’.

In June this year the government leased Cox Peninsula transmitters to the British broadcaster Christian Voice International. Christian Voice is controlled by Christian Vision, a UK group whose web site describes it as ‘a charitable company that God has challenged to touch a billion people with the message of Jesus through the use of media’. Disposal of the Cox Peninsula transmitters was against the recommendations of reports by the Senate Foreign Affairs, Defence and Trade References Committee on Radio Australia and the recommendations of the Joint Standing Committee on Foreign Affairs, Defence and Trade report on Australia’s relations with ASEAN. The bipartisan support of the joint standing committee noted that Radio Australia was very much appreciated by millions of ordinary people in the region and that it was listened to and relied upon by the elites of the region and by expatriate Australians. The report described the government’s cuts to Radio Australia’s budget as particularly savage. The joint committee further noted:

... for all witnesses to the inquiry, the most counterproductive and incomprehensible action in Australia’s regional public relations was the effective closure of Radio Australia to much of the region. ... Most of South East Asia receives either a poor signal or no signal from [Radio Australia’s transmitter at] Shepparton. We have in reality lost our voice in Asia.

That was the unanimous finding of an all-party joint committee of this parliament. The joint committee went on to urge the Howard government to restore the Cox Peninsula transmitters to full operation for the use of Radio Australia. The fact that coalition members of the joint committee recognised the foolishness of their own government’s actions underlines just how short-sighted the government’s treatment of Radio Australia has been. Now, more than two years on, the government has completed its folly by disposing of the Cox Peninsula facility to a Christian fundamentalist broadcaster, and it is has done so at a time when eastern Indonesia is racked with religious and ethnic conflicts. At best, Radio Australia’s capacity will only be partially restored if Radio Australia can successfully negotiate transmission capacity from the Cox Peninsula facility from its new leaseholders. All of this is so totally unnecessary.

The government has pre-empted its own legislation—the very bill we have before us today for the licensing and regulation of international broadcasting from Australia. The very first action by the Minister for Foreign Affairs under this legislation, if passed, will be to give his formal tick of approval to broadcasts by Christian Voice from the Cox
Peninsula facility to East and South-East Asia, across the water to eastern Indonesia, to Ambon, to Halmahera, to Sulawesi and West Papua. That is where the message will be going as soon as it receives that tick. I would be very interested to hear from the foreign minister how this, as opposed to Radio Australia’s previous use of Cox Peninsula, will advance Australia’s national interests.

The handling of these issues by the Minister for Foreign Affairs and Communications Minister Alston has involved a series of ill-considered, indeed very stupid, decisions. Today the government has introduced flawed legislation which may well compound these failures. While the government claims to be acting to protect Australia’s national interest, its track record shows that it has no understanding of our national interest whatsoever.

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—Is the amendment seconded?

Dr Martin—I second the amendment and reserve my right to speak.

Mr HARDGRAVE (Moreton) (5.03 p.m.)—The Broadcasting Services Amendment Bill (No. 4) 1999 is all about a new broadcasting licensing regime for international broadcasting services transmitted from Australia via satellite and short wave. This is about trying to bring into being a new system which will provide opportunities to those who wish to broadcast from Australia to regions beyond Australia. The member for Kingsford-Smith has to understand a couple of things about the whole Radio Australia episode which he has just talked about. The key thing he has to understand is that the decision making regarding Radio Australia was done by the Australian Broadcasting Corporation. The government, rightly, looked at the debt the Labor Party left us when we came to office and, in the August 1996 budget, set about establishing a number of measures to try and repay that debt for the benefit of all Australians so that we did not have that debt around our neck for years to come. The ABC was not as affected by that budget measure to cut the deficit as were some other instrumentalities, but nevertheless it did face a slight cut.

The ABC, via their own processes, deduced from the Mansfield report’s findings and inquiries that Radio Australia was something they could cut. The ABC made the decision based on the realms of possibilities before them that it was the service provided by Radio Australia that they could afford to cut back. It was the ABC, in their typical ‘Let’s cut services, let’s not cut wages for senior executives or high profile personalities’ style of management and decision making, that decided Radio Australia could be cut. So much of the debate on this bill, which amends the Broadcasting Services Act, has to do with the decision making of the ABC.

The bill, amongst other things, gives power to the Minister for Foreign Affairs to actually deliberate on whether or not the kinds of broadcasts that come from Australia and the way in which they impact on other countries in our region are, in fact, in our national interests. I must say, as somebody who believes strongly in the notion of an impartial and independent ABC, that if the ABC themselves were to be involved in broadcasts in the future, for whatever reason, I would have a measure of concern that a government minister would be in a position to pull a broadcasting licence for the ABC in that regard. But I do not believe any minister would use such powers lightly. I do not believe that they would find everyday excuses for the use of such powers. I believe that those who get a licence to broadcast would be very mindful of the responsibilities—not just the right to transmit—that come with that transmission.

The other thing that the member for Kingsford-Smith does not fully understand, despite his hiding behind a finding from some Senate committee, is that it is the Shepparton transmitter of Radio Australia which comes into so many of the regions that he expressed concern about. I know that during the Timor crisis 12 months ago those opposite brought a motion before this place condemning the government—even though it was the ABC—for cutting Radio Australia and making it impossible for people in Timor to know what was occurring. At that time I made the point that I wish to make now—that is, it was the Shepparton transmitter that
t is, it was the Shepparton transmitter that is still broadcasting into that region. The nature of short wave is that it needs to bounce a long way up above this earth, and off a particular layer of our atmosphere, and bounce back down. To suggest that Cox Peninsula plays a crucial role in that Indonesian archipelago or in the countries in and around it is to misunderstand the technical operations of short wave. The member for Kingsford-Smith is simply trying to perpetuate a myth that has long since worn very thin and really has no bearing at all on the matters before us today.

Under the new licensing regime contained in the legislation before us, television broadcasts from Australia will also be covered. I had the opportunity some time ago to see how the Australia Television International operation works. Programs from various channels across a range of Australian entertainment are retransmitted by Australia Television to countries to our north. When I visited Taiwan about 3½ years ago, I was astonished to see a match that had started that afternoon between the Broncos and perhaps Illawarra.

Dr Martin—That was in the good old days when we had a team.

Mr HARDGRAVE—I see the member for Cunningham in the chamber. They were the good old days. I remember the match at the QEII Stadium in the heart of the Moreton electorate started as my plane took off and was replayed that night in Taipei. The fact that Australia Television worked so effectively showed me just how close the Republic of China on Taiwan and Australia are as nations. That service was being run by the ABC at that stage. As a result of the ABC walking away from that service, Channel 7 took up the contract, if you like, and have continued to provide that service, although I think there is probably some cloud over that horizon at the moment.

I think it is fair to say that, if Radio Australia is not meeting its foreign affairs potential, the Department of Foreign Affairs and Trade may like to fund it themselves. Before the advisers or the minister, if he is watching, have apoplexy over that notion, I think it is a fair comment to make. It is not just simply the responsibility of the Australian Broadcasting Corporation’s budget to meet the cost of providing services outside Australia. After all, one would suspect that the ABC’s primary role is to provide a service to Australians who are within our territorial boundaries. I would also note that there would be great difficulty because the ABC’s charter prevents outside funding. So there would be a difficulty in the Department of Foreign Affairs and Trade actually kicking some money into the tin to keep the ABC’s role in Radio Australia pumped up to the level that the member for Kingsford-Smith seems to want and expects but forgets that it is not possible to do because of the parlous situation the budget was left in by the government of which he was such a senior member. This bill opens up the door to a whole pile of other possibilities such as new entrepreneurs and people who believe they have an agenda that is consistent with Australia’s national interest and also provides a service to others outside our borders. I welcome this bill because, if one thing is for sure, it provides some clarity about the importance of these sorts of linkages with other countries and, at the same time, about the ABC’s own role in these matters.

The only thing I have left to say about this legislation is my ongoing concern about the capacity of the Australian Broadcasting Authority to administer much, let alone this particular new task, that has been allotted to it. The Australian Broadcasting Authority has completely failed in properly managing local area plans for those who wish to transmit within Australia. Now we are giving them a set of responsibilities to handle matters outside Australia. I fear that the one bit of weakness in any legislation involving the ABA is that body’s inability to meet the challenges that are before them. I note, with one exception, that they have a new board. It is a pity the chairman himself did not go. I think the ABA has got a lot of challenges ahead of it to meet all the expectations this government has piled upon it.

I would like to spend a little time addressing the role of the ABC, as the member for Kingsford-Smith did. I am greatly concerned about the ABC’s now stated plans to
yet again cut services. The ABC, every time it finds itself short on money, does everything it can to protect its little nest in Sydney, in the Ultimo Centre, and the ‘me-too’ mentality of Melbourne which demands that it must have something that Sydney has. They will happily not hire 10 journos in regional Australia to keep one Kerry O’Brien, for instance. It strikes me as a matter of great concern that the ABC’s decision making continues to miss one key point, and that is that it is a service provider. It is there to provide information, entertainment and linkages for all Australians, not just simply to provide alternative programming or quality programming—which does not seem to attract a quantity of audiences. It should no longer be an organisation that is run by the staff for the staff, as was observed by former Labor senator Graham Richardson on the Today program on Saturday morning. Graham Richardson also said on Saturday morning—quite rightly—that the ABC staff and the ABC style of programming and management should not be immune from the same cutbacks and the same changes of circumstances that have confronted the commercial media operations in Australia.

The ABC rightly has to look inside itself and lose the librarian analogy that a library is a great place to work if only people would stop borrowing books. The ABC has to realise that it should be back in the business of providing a service. The ABC has to look at the services it is no longer providing. The ABC has to look very closely at not cutting services in the BAPH states—the acronym for Brisbane, Adelaide, Perth and Hobart. When I worked at the ABC 13 years ago, we used to call them the PHAB states—Perth, Hobart, Adelaide and Brisbane—because we were trying to counter that Sydney BAPH state mentality that the BAPH states can give up something because, first, we have got to protect Sydney. The ABC has to get back into rural and regional Australia the way it used to be. The ABC has to get back into the BAPH states the way it used to be. And if the ABC has to trash one Kerry O’Brien—who, if he is so good, will get a job on commercial television tomorrow—if they have to lose him to hire 10 journos, then I think that would be a step forward.

As I said, I am greatly concerned about the background to this bill. In part it comes really from the heart of ABC decision making a few years ago. I believe that the ABC has to look very strongly inside itself and that the so-called professionals within the organisation have to get real, connect themselves with the real world and provide a range of programming that suits most Australians as well as that range of programming which suits a minority of Australians, which it does, and does very effectively. The ABC has to understand that people realise that the Nine Network can run with half the budget and get four times as many viewers as the ABC does. Those sorts of pressures on the taxpayer and on governments of all persuasions have to be well understood by ABC staff. It is worth putting on the national record here that former Senator Richardson understands that now, after he has left service to Australia in the parliament; he expressed it well last Saturday morning on the Today show.

I worked for the ABC in 1987. I worked for the 7.30 Report. I was a journalist on that program working with Quentin Dempster and Ian Henschke, two people who have been staff representatives on the ABC board over the last few years. Greg Turnbull, who works for opposition leader Kim Beazley, was three desks away from me. I worked for the ABC in 1987. I was only there for 10 months, so I do not pretend to understand it in a completely intimate way, but let me tell the House why I left the ABC. In November 1987, ABC staff in the drama department were demanding from management—and threatening strike action if they did not get it—the 7.30 time slot on Monday to Friday for drama. There was no certainty that the 7.30 Report would continue. There would be uncharitable souls around Australia who probably wish that had occurred—that the 7.30 Report had died in 1987. Nevertheless, it continues on, 13 years later. The point I want to make is that again there was no certainty from a management point of view. The host of the program, Andrew Carroll, left the show at the same time as I did. There was no certainty about the future of the 7.30 Report in 1987. In fact, in
that year four senior journalists left the program from the Brisbane office. What ultimately happened, half-a-dozen years later when it became a network program out of Sydney, was what we feared was going to occur. The key thing was that it was the staff in the drama department taking on the staff in the current affairs unit for that particular programming time slot.

That is no way to run an organisation that is meant to be a public broadcaster. The ABC must realise that it has an important role in the fabric of Australia to provide a range of services and information and that range of access that so many people romance. It is important that we have an ABC that is responsive to the demands of average Australians. Consider as an alternate the BBC, which runs the BBC World Service, which runs the sort of service that is outlined and described here in this bill. The ABC does not measure up to even be considered in the same conversation. The BBC is funded by radio and television licences, but the BBC also conducts a series of public consultations every year. The BBC goes around and asks people what it is they expect of their BBC. Each year, it uses that as an accountability measure so that at the end of the year it can say it has delivered. The BBC discovers what people expect from program content, program standards and program quality. I am sure no-one would argue that things have declined as far as the BBC is concerned.

Interestingly, the BBC understands more about social issues, social attitudes and people’s standards on the use of expletives and sex in drama than the ABC do. It is worth noting that the ABC are not covered by the same standards and rules that commercial broadcasters must face up to. The ABC are able to broadcast four-letter words without any recompense to any authority in this country, because of their often stated independence. They believe it would be an encroachment upon that independence if anybody pulled them up on this. Essentially Caesar judges Caesar within the ABC.

Essentially the ABC is a completely hands-off organisation. Those opposite suggest that it was the government that shut down Radio Australia, an adjunct of the ABC. Of course, as I have outlined, they completely miss several important points that uncover the truth. The ABC made all of those decisions themselves. I should also say on the record that the ABC do have mechanisms for public consultation, although they do not use them. I refer honourable members to the report of the House of Representatives Standing Committee on Communications, Transport and the Arts from its inquiry into radio racing services and the ABC’s decision to end those services. Without any consultation, broadly, they decided to cut those radio racing services. The ABC said it was because no-one was listening to them. But the House of Representatives committee, chaired by the member for Hinkler, who will also contribute to this debate, found that more people were listening to radio racing services than to many Radio National programs. The ABC did not take the opportunity to consult the people and find out whether or not their decision was satisfactory as a measure of taxpayer listener concerns. They just completely ignored the viewer and the listener.

We have now reached the point where we are opening up a set of possibilities for others to fill a gap which the member for Kingsford-Smith identifies as having been created by the ABC’s decision to cut Radio Australia’s services. I suspect that, all in all, the gap will be filled by something that is far more responsive to average Australians’ views, needs and concerns and therefore far more responsive to Australia’s interests in our region. Whilst some opposite seem to be making a big deal about those who may be using Cox Peninsula, being a Christian broadcaster, and broadcasting into West Papua and other places, they seem to miss the point that there are many Christian people through those areas. In a lot of Asian countries, 15 or 20 per cent are Christians who have been in contact with missionaries and who uphold strong Christian values.

Trying to portray that a Christian based broadcaster out of Australia into our broad region has some mischievous nature misses the point. It also shows great disregard for the strength of feeling of the largest Islamic nation in the world, Indonesia, and the people there who with their strong faith are not
going to be influenced by the broadcasts that come out of Cox Peninsula, and were never meant to be. The range of views and the range of services, in keeping with Australia’s interests in the region, will be far better served by what is about to come than has been in the past. It is a great pity that those opposite do not understand the total dishonesty in their debate in trying to blame the government for the ABC’s own poor decision making in this matter.

Mr WILKIE (Swan) (5.23 p.m.)—I would like to speak first on a few of the items that the member for Moreton has raised. He made the comment, ‘Get real.’ I think we really need to get real here. The ABC needs to cater for rural Australia and it needs to cater for metropolitan Australia. Kerry O’Brien, in his program, obviously caters for the whole lot, because it is a nationally broadcast program. I do not know if the member for Moreton has ever bothered to watch Kerry O’Brien’s program, but he would have found that out if he had taken the time to do so. He must have been watching the football in Taiwan rather than concentrating on the real issues that Kerry O’Brien brings before the Australian people. I believe Kerry O’Brien to be one of the most impartial and knowledgeable journalists in Australia. Possibly one of the reasons people like the member for Moreton actually left the ABC was that one Kerry O’Brien is in fact worth 10 of those sorts of journalists or workers.

I have concerns as to the most appropriate mechanisms that need to exist with respect to telecommunications and broadcasting in Australia generally. In the main, those concerns are not based on the capacity of any given broadcaster to physically construct the technical or qualitative process to effectively deliver services to the public. Rather, my concerns are due to the atrocious application of communications and foreign policy since 1996 by this government. My main concerns have developed, firstly, due to the government’s broken promises regarding the Australian Broadcasting Corporation; secondly, due to the closure of the international broadcasting facilities of Radio Australia; and, thirdly, because of the contentious nature of the new digital communications decisions.

I would like to highlight a broader concern in relation to the minister’s capacity under the Broadcasting Services Amendment Bill (No. 4) 1999 to determine broadcasting of information internationally and the granting of licences. The bill contains a new scheme for the regulation of international broadcasting services that are transmitted from Australia. The scheme is being introduced because there is currently no regulatory regime in relation to international broadcasting from this country. The bill enables the Minister for Foreign Affairs to determine whether an international broadcasting service is likely to be contrary to the national interest. In determining this, the Minister for Foreign Affairs will have regard in particular to the likely effect of the service on Australia’s international relations. I certainly hope so. Many will recall the concept of ministerial responsibility. The application of this bill confers considerable responsibility on the minister. I have always had the opinion that an effective degree of scrutiny and supervision of all decisions is necessary for this place to function. Accordingly, when dealing with the responsibilities of their department, a minister must draw a distinction between role responsibility for a specific issue or task and answering on behalf of the department for all functions and policy directions. Ministerial responsibility requires a sound depth of knowledge about the department in question but by no means allows the minister the scope to make unilateral decisions. The primary role of ministers is to ensure that there is a direct line of accountability for the actions of cabinet. Their requirement is to explain the finer points of a given policy direction, account for the activities of their officials and, where necessary, take remedial action where errors are found to occur. Essentially, ministerial responsibility is about accountability to the parliament. It is a responsibility which lies at the heart of the Australian system of government because it directly links the political executive, the parliament and, from there, the people. How such ministerial responsibility is applied is a conspicuous and telling sign of
the way in which the cabinet of the government works.

As the shadow minister has stated, there are significant issues here which go both to substantive communications policy and to substantive foreign affairs policy. On the one hand, whilst you might regard the power which is proposed to be vested in the Minister for Foreign Affairs as a power vested in the public interest, you might also take the view that it gives an almost unbridled power for the Minister for Foreign Affairs to become the minister for overseas censorship. These issues ought to be given some proper and orderly consideration. I am pleased that the Minister for Communications, Information Technology and the Arts, on behalf of the government, has indicated that the government will not propose to proceed with schedule 3 as part of this bill. Our undertaking to him has been that we will consider this in the usual way at the first opportunity next year if he introduces a bill to that effect. Let us ensure that we do not abrogate our responsibility for open and transparent decision making, especially when it means opening up decision making processes to the most qualified and suitable.

On behalf of many in the community, I am obliged to raise the issue of the cuts to the ABC. It was this issue that really focused my mind on the sorts of policy that must be avoided. Bob Mansfield, in his inquiry into funding cuts of $55 million to the ABC, a review commissioned by the federal government, failed to endorse the government’s slash and burn attitude to the national broadcaster. When the Liberal Party was in opposition in 1995, Senator Alston chaired a Senate committee into the ABC and signed off on a report which stated that the management of the ABC was performing well and that funding should be maintained at the current level. In that report, Senator Alston and the committee went on to recommend:

The committee supports the maintenance of ABC funding, at least at its current level, and the continuation of the triennial funding arrangements.

The member for Moreton suggests that he believes in an impartial ABC. Let us have a look at the government’s record. Since being elected to government, Senator Alston, the Prime Minister and the Treasurer have been seeking, according to a cabinet submission, political control of the ABC. Very impartial, I would have thought—political control of the ABC, a redefined ABC that would withstand reduced funding and which would give the government the opportunity to directly and indirectly influence the running of the ABC and its programming content. The leaked cabinet document indicates that Mr Mansfield’s role was essentially to justify the spending cuts rather than being given the scope to make any independent recommendations. Senator Alston said that he would honour all his commitments to the ABC, yet in light of the subsequent cuts defended his actions by saying that that was only really for the first year of government. It reminds me of the never, ever statement.

Of the almost 11,000 submissions which Bob Mansfield received, less than two per cent were critical of the ABC. This overwhelming support was indeed contrary to the ideological obsessions of the government. Mr Mansfield even went so far as to say that, as a person who has had a background in the private sector, you would give anything to have the brand loyalty for your product that the ABC has in the Australian community. Mr Mansfield also recommended that the government re-establish the triennium funding arrangements for the ABC for 1997-98 onwards, which was an initiative of the previous government. The government not only departed from its commitment to triennium funding within its first six months in office but also took $55 million from the base level of funding. It was not enough that the ABC had identified cuts of $28 million but, in an effort to meet the additional $25 million in savings, as dictated by the minister, Mr Mansfield recommended that Radio Australia should be abolished. The outsourcing of production was also recommended by Mr Mansfield. I have to question whether an outsourced ABC has the ability to have a creative influence; I also have to contest whether private sector proposals are cost efficient, not to mention query an outsourced ABC’s independence in making programs that other stations will not. Senator Alston has resorted to bullying the board of the
ABC by refusing funding for digitisation and modernisation if outsourcing of all TV drama is not accepted—again, very impartial. This was the only offer, in spite of the fact that Mr Mansfield recommended that the ABC should get some special one-off funding to help with the digitisation program.

Some Liberal members also want Triple J to be abolished, yet Mr Mansfield could not find fault with Triple J, an organisation with a running cost of around $3 million yet with an impressive 2.5 million listeners each week. It is also worth noting that half the total radio audience of the ABC are Triple J listeners.

My third concern pertained to the example of Radio Australia. The funding to Radio Australia was of vital regional importance. The ABC provided a service which assisted smaller South-East Asian nations that do not have the means to produce television and radio broadcasting of comparable quality to the ABC. In addition, some of these countries do not have access to local uncensored radio news services. In providing such assistance, Australia creates a supportive relationship which will potentially stand it in good stead in the future. Such is the concern about the loss of Radio Australia, it should be noted that the then Prime Minister of Papua New Guinea, Sir Julius Chan, wrote to David Irvine, the Australian High Commissioner, to express ‘considerable concern’ about any moves to abolish the service. He said:

As you are undoubtedly aware, Papua New Guinea, as a developing nation and regional focal point, has come to depend on Radio Australia as representative of excellence in broadcasting.

He pledged on behalf of PNG to take a $1 million cut in aid to help save Radio Australia. One of the casualties of the cut in funding to Radio Australia was obviously the Cox Peninsula transmission station, a $40 million facility which Senator Alston closed down due to lack of funds. After this decision was made, the National Transmission Agency received a number of offers from commercial and national broadcasters to use the facility. These included the BBC World Service and Radio Free Asia, which is an American broadcaster.

Whilst Senator Alston was very much interested in exploring both buy and lease arrangements for the facility with interested parties, he saw nothing strange in the fact that there was considerable interest in a facility which the government regarded as redundant. Guidelines failed to be established, and the minister did not seem to be aware of whom the National Transmission Agency was dealing with. Cox Peninsula was a world class short wave facility from which the world’s major broadcasters were trying to buy transmission time, yet the minister saw fit to silence our own Australian voice in the region without reasonable explanation. As we know, this facility has now been leased. Is this the sort of treatment to be dished out to the international community? It is no wonder that members on this side of the House are sceptical.

Finally, the recent litany of digital television broadcasting decisions illustrates the sort of policy decisions that the government is capable of. The glaring inadequacies in the government’s digital television policy have been highlighted by the Productivity Commission’s final report into broadcasting in Australia. The proposed restrictions to new entrants in the digital services market will severely limit the range of services which they can feasibly offer whilst protecting the interest of existing television operators. Restrictions to multichannelling were also criticised by the Productivity Commission for providing excessive protection to pay television operators. The commission also noted that cross-media laws are increasingly being undermined by the Internet, yet the federal government’s approach has been to reinforce the existing rules at the expense of Australian business and consumers. The Australian on 13 April 2000 states:

As it stands, this [broadcasting] policy sends a message to the world that the Australian Government is involved in manipulating and restricting a sector that should be encouraged to expand. Many in the community have contacted my office with concerns over the monopoly of the arrangements by the existing free-to-air providers. Many also indicated concern at the cost to the consumer of the proposals. The initial cost of digital television equip-
ment is likely to have a significant effect on the take-up rate of digital television broadcast technology. Those on low incomes—I take the opportunity to remind the government that the majority of constituents in my electorate of Swan live on less than $400 per week—may be disadvantaged in the event that an increasing number of information and transaction based services are adopted by digital datacasting services, which will further broaden the gap between the information rich and information poor in Australia today. The *West Australian* of 12 April 2000 states:

The Productivity Commission found that to be able to tell the difference between standard definition and the Government’s mandated high definition pictures, consumers will have to spend more than $8000 on a new television set.

Local technical standards in regard to high definition broadcasting are to be developed jointly by the ABA and Standards Australia, in consultation with industry and manufacturing groups. Proposals vary from a single standard to a range of defined standards. By ensuring a required minimum level of broadcast definition, the use of higher definition formats could be left to the discretion of industry. On the other hand, if a range of optional formats for HDTV were put in place, broadcasters would be free to choose the format most suited to the particular program or to their available bandwidth.

Another proposal concerns the simultaneous broadcast of standard digital TV format, SDTV, and HDTV, which would certainly increase the options for consumers as well as making the technology more affordable. But the cost and technical constraints upon broadcasters are not yet known. In addition to the already high set-up costs of such technology, it has become apparent that there may be some duplication of equipment where consumers are already subscribers to pay TV services. Interactive television and other pay TV services are subject to their own receiver requirements and ultimately consumers may have to bear the cost of multiple set-top units to access available services. Datacasting refers to the transmission of digital content—images, text and sound—through the digital broadcasting spectrum. To prevent an effective contravention of the moratorium on new broadcasting licences, it is the view of existing free-to-air broadcasters that the definition of datacasting should be narrow. The fact that datacasters are able to incorporate video and sound means that material is distributed in the same way as that of the free-to-air broadcasters. Critics of such a policy argue that offering a limited definition of datacasting merely defeats the original purpose of the push towards digital broadcasting and that the benefits to consumers far outweigh the costs of increased competition to existing broadcasters, which should be the priority of government legislation.

Multichannelling refers to the simultaneous transmission of multiple channels, or streams, of broadcast content. The Digital Conversion Act does not prevent national broadcasters from multichannelling but, in order to avoid competition with the emerging pay TV industry, commercial broadcasters have been prohibited from multichannelling. The exemption of the ABC and the SBS from such a prohibition is, however, subject to review.

To conclude, let me reiterate why I have some misgivings about this bill. Firstly, much criticism can be directed in general at the minister in respect of his conduct in the Communications portfolio. Such criticism can also be directed at the Minister for Foreign Affairs as it is his inaction which has led to the degeneration of our international standing pertaining to broadcasting and telecommunications in our immediate region. It is for these reasons that we must be critical of the broad-ranging policy ramifications of giving these ministers even more mileage in matters that affect our region. Secondly, overall the government has made a series of questionable and short-sighted decisions and has shown no policy remorse for its jeopardising the standards and independence of our national broadcaster. Thirdly, the decisions made in relation to digital broadcasting have been questioned on the basis of not being acceptable to both players in the industry, and even the Productivity Commission regarded the decision as an unacceptable com-
promise. I say to the House: look at recent history before leaping to support this bill.

Mr NEVILLE (Hinkler) (5.40 p.m.)—The Broadcasting Services Amendment Bill (No. 4) 1999 will establish a new broadcast licence system for international broadcasting services transmitted from Australia by satellite and short wave. I think it goes beyond the scope of what the member for Swan was saying, although I do have some sympathy for some of his reasoning. Significant growth is expected in international broadcasting and Australia is likely to be a base for some services broadcasting to our region. Currently there are no regulations governing the content of international broadcasts from Australia. The bill aims to address this issue and ensure that international broadcasting services are not provided contrary to Australia’s national interest. The bill will provide a means for the Minister for Foreign Affairs to determine whether a broadcast service is likely to be contrary to the national interest. The minister will take into account the effects of the broadcasting service on Australia’s international relations.

There has been criticism that the term ‘national interest’ is vague, but it should be noted that the provisions of the bill leave matters in relation to Australia’s national interest and questions concerning international relations to the government of the day to determine. As the Seven Network noted in its submission to the Senate Foreign Affairs, Defence and Trade Legislation Committee, ‘The term national interest is inherently difficult to interpret.’ The question of whether an international broadcast service is in the national interest is a question of time: what is in the national interest today may not be the case tomorrow. Thus it is a fairly flexible term.

Under the new licence scheme, all international short-wave radio services transmitted from Australia and all international satellite radio and television broadcast services originating in Australia and transmitted from Australia will be required to obtain an international broadcasting licence from the ABA. National broadcasting services such as the ABC and the SBS will be exempt from the new scheme. The current ABC international service, Radio Australia, operates in accordance with the ABC’s editorial policies and these arrangements will continue. The ABA will refer applications for licences to the Minister for Foreign Affairs with a report about whether the proposed international broadcasting service complies with the ABA’s guidelines. The minister is then required to assess whether the proposed service would be contrary to the national interest. If he or she thinks that is the case, the minister will be empowered to direct the ABA to issue formal warnings to international broadcast licensees or suspend or cancel a licence. Jonathan Brown, the Director of DFAT’s Parliamentary Liaison Section, stressed this point to the Senate committee. He said:
It is not a question under the bill as to whether a particular service is in the national interest or whether it serves the national interest. It is whether it is contrary to the national interest.

Amendments to the bill also provide that if a person wants to know why the licence was refused, suspended or cancelled the minister must either provide a statement to that person or prepare a statement about the decision and present that to each house of parliament. The introduction of the bill coincides with a boost to Australia’s international broadcasting services. The government announced in August that it would provide Radio Australia with approximately $3 million a year for three years. This will enhance Australia’s broadcasting into the Asia-Pacific region, enabling Radio Australia to strengthen its transmission arrangements in the region and to enhance its online services. It is vital that Australia’s international broadcasting activities convey accurate news and information to the region as well as provide an Australian perspective, and Radio Australia will help to achieve this.

Further, the government has decided to seek proposals for the continuation of Australia’s television service to the Asia-Pacific region. An editorially independent Australian television presence in the region, projecting accurate images and perceptions of Australia and its way of life, is very much in our national interest. In recognition of the national interest aspects of the service, the government will consider providing some funding
assistance for programming and transmission. I am a great supporter of this. I feel that the circumstances which have arisen since the East Timor referendum probably gave us a wake-up call that we need to take this aspect of projecting the Australian image into Asia more seriously. I have a view on this—I am not a member of the foreign affairs committee, and it is a personal, largely anecdotal view. Nevertheless, I think that the danger to Australia’s interests at the time of the referendum was, in some respects, even greater than when we actually went in with troops to secure East Timor on behalf of the international community. It was a very dangerous situation. As you would remember, at the time of the referendum there was rioting in the streets of Jakarta. I think there is a fair body of evidence that indicates that some of that, while not necessarily inspired by the Indonesian government, was due to pro-government interests and that some of those sympathetic to the pro-government line targeted Australia. You have to ask how much of that was whipped up by the emotion of Indonesia being rejected in that ballot and how much of it was ignorance of Australia’s real position. That is something that we need to recognise: if we do not have good radio and television connections into South-East Asia, we have only ourselves to blame when our national interest is jeopardised.

I think that this idea of an editorially independent Australian television presence in the region could be very much in the national interest. I for one was very disappointed when the partnership between the ABC and Channel 7 fell over. I thought that that was providing a very good service, and Channel 7 has done quite a good job since. But we need to have something that is even bigger and better than that. We need to project into South-East Asia an authoritative, fair representation of Australia—its lifestyle, what we see as important, our perspective on Asian affairs—so that we are not misrepresented in the international community and, more particularly, so that we are not misrepresented to the citizens of countries whose governments rigidly control their own media.

Radio Australia and the Australia Television service provided some measure of Australian information. But I have to say that, having seen it in Korea, Taiwan and Singapore, I was not overly impressed with the sort of image that we project there. A lot of the television programs are old. They are old hat, and I think that more erudite people in those Asian countries would realise that they are being dished up old-hat material. More particularly, the news programs are very basic, and the lifestyle programs—which I think are very important in projecting to Asian people the sort of society that we are—are singularly lacking. I do not blame the ABC-Channel 7 experiment totally for the failure of that—I know there were tensions between the two bodies, and this is not the place to explore them. I do not think that we—and I talk about government and the business community when I say ‘we’—gave them a lot of encouragement. When you saw the few advertisements that were with those programs, they were generally advertising the various casinos around Australia or some universities that were touting for business in the Asia-Pacific region.

With our excellent balance of trade with many Asian countries, it occurred to me that we were not in any way enhancing the advantage that we had. We did not have companies on that service advertising their wares to Asia, and I would have thought that that would have been an excellent medium. But perhaps the leadership for this needed to come from our own Department of Foreign Affairs and Trade. When you consider the help that the British government gives the BBC with such matters, I think we left a bit of a vacuum there. Perhaps governments of both political colours did not give enough leadership on, or attach enough importance to, that television programming. If governments do not do that, then it is very difficult to convince other businesses that this is credible news, current affairs and lifestyle programming and an accurate representation of the social fabric of Australia.

What led us into failure, I think, were this lack of government endorsement on the one hand, some banality in programming on the other and an uncertainty born firstly of the cutback in funding and secondly of the compromises that were necessary when a com-
bral and a public broadcaster tried to put a generic program together. That failure has been recognised by the government. It is now seeking expressions of interest for an editorially independent Australian television presence in the region. I know some of the bidders and think that they could provide quite a good service, one which would be very much in Australia's interests. I cannot help speculating that, had we had a strong presence in Indonesia at the time of the East Timor plebiscite, we might have saved a lot of angst and it may not have been as easy to misrepresent Australia's position as it was misrepresented during that time.

International broadcasting has flourished in the past 50 years and will, no doubt, continue to flourish in the future. Short-wave radio broadcasts today have a different but related function compared to the broadcasts during the Second World War and the Cold War, when they operated very much as necessary propaganda tools. Various organisations around the world—Voice of America, Vatican Radio, the BBC—used their international broadcasting ability to play a very important role, but now we are in a more subtle environment. With the development of superior broadcasting capability, short-wave transmission in the last two decades has provided quality signals that can be heard all over the world. The proliferation of services has also meant that broadcasters' products must be credible because listeners now have a variety to choose from. The BBC World Service success has stemmed from its distinct repositioning as an international broadcaster with a commitment to independent standards of journalism and the communication of information. I suggest that that should be paramount in any new service that we project into the area.

In summary, it is clear that a new licensing category for international broadcasting services transmitted from Australia is necessary, not only to make sure that things inherently contrary to the national interest are filtered out but also to ensure that we have standards projected in our international broadcasting that would match our standards at home and would ensure that broadcasters other than independent services and Radio Australia are not working contrary to the national interest. Events in the South Pacific of recent times give Australia a chance to provide a leadership role and it is important in projecting not only into Asia but also into the Pacific the genuine stance that Australia takes on these matters. Also, it is a balance to those who would either subtly or despotically try to manipulate the news. We can project our vision of our region to our Pacific and Asian neighbours in such a way that it is clear and unambiguous.
Mr RUDD (Griffith) (6.00 p.m.)—I rise in support of the opposition’s amendment to the Broadcasting Services Amendment Bill (No. 4) 1999. The bill proposes in part to deal with international broadcasting services broadcasting from radio communications transmitters in Australia to audiences outside Australia. Specifically, the bill provides for a licensing framework for international broadcasting services. In particular, it empowers the Minister for Foreign Affairs to direct the ABA not to allocate a licence if the minister believes that, by issuing such a licence, it would be contrary to the national interest. There are two major exemptions to this proposed regulatory regime. One is services provided by the ABC and SBS. Radio Australia is included within that framework. The second is services delivering programs packaged outside Australia but which use Australian facilities for retransmission, the purpose of the latter exemption apparently being to encourage international commercial interest in Australia as an uplink hub for programming services delivered to this region by satellite.

I wish to address three aspects of this legislation, two briefly and one substantively. The first is a simple prediction that the scheme which is being proposed is potentially totally unworkable. How will it be possible for future governments to differentiate—at least from the perspective of reactions that will be felt across the region to an Australian program—between programs that happen to originate in Australia and those that are simply being rebroadcast through Australia? What schemata will be employed by the Department of Foreign Affairs and Trade to determine what is above or below the line in terms of the deleterious effect of that particular service or program to the national interest? I predict that this scheme will cause the Department of Foreign Affairs and Trade, and the government more generally, to be tied completely in knots.

My second observation relates specifically to the proposed role of the foreign minister. Under this scheme, the foreign minister has a potential responsibility to deliver the bad news to regional governments about his or her Solomon-like decision about whether or not a particular service or a particular program is to get a guernsey. If someone is to be involved in such a licensing scheme, the opposition suggests that a more appropriate person for taking such a decision and communicating it would be the communications minister. There are two reasons for this. One is that the concept of the national interest should not be narrowly conceived as the nation’s foreign policy interest. It is in fact a broader concept than that. It incorporates within it a range of considerations which might be considered as being exclusively domestic, such as this country’s tradition of free speech and freedom of expression. Often these factors come into conflict with one another—that is, our international interests and our domestic traditions of free speech and freedom of expression. But that is as it should be, and these factors should therefore be taken corporately into account when deciding what the national interest happens to be at a particular time. This is a substantive reason why it should not be in the exclusive preserve of the foreign minister of the time.

The second reason why we would argue that the responsibility should lie with the communications minister is that, under the circumstances which are proposed, it would place the foreign minister in an invidious position; namely, the foreign minister would be placed in a position of making a determination one way or the other on the acceptability or unacceptability of a particular service or program. That same foreign minister is then expected to go about doing his or her normal business in terms of the rest of the foreign policy undertakings of the country. Far better in our view that ultimate decision is left with the domestic minister; namely the communications minister.

The third aspect goes to the role of Radio Australia. When the history of the Howard government is written, the saga involving the systematic demise and ultimate near destruction of Radio Australia will be listed as one of this government’s greatest blights. Let us briefly recap the history: born in 1939, a product of the then coalition government; expanded through the construction of the Cox Peninsula transmitters after Confrontasi with Indonesia; and, through the mid-
nineties, the subject of a substantial upgrade under the Keating government—some $15 million worth. What was the result of all that? We ended up with a capacity to transmit to all of Asia—everywhere from Pakistan through to North Korea, all of Melanesia, all of Micronesia and all of Polynesia. We had a 24-hour broadcasting operation in English. We had also substantive programming across the region in Mandarin, Cantonese, Japanese, Khmer, Thai, Vietnamese and pidgin. There were some 140-plus foreign language staff involved in language programs for the region, all for an operating budget of $13.5 million per annum and a transmission budget of $7.4 million per annum. Over a period of 60 years, governments on both sides of politics in this country built up a great Australian institution which, by 1996, represented a combined call on the taxpayer and the general revenues of this country of not more than $20 million. The totality of public outlays today is worth $150 billion.

Come March 1996, enter the Goths and the Visigoths—55 years to build Radio Australia; five years to knock it to bits. Not a bad effort, even by Attila’s standards. How did the government go about it? There was the Mansfield review in 1996-97, resulting in the ABC having to sustain cuts and in turn flick passing responsibility for those cuts in large measure onto Radio Australia. What happened to Radio Australia’s operating budget? In 1996, the operating budget was $13.5 million. By 1997-98, the government had slashed it to $6.4 million. As a result of a chorus of complaints—I suggest to the House they were largely driven by the points made by the opposition—the budget was increased to $7.6 million in 1999-2000.

The result, however, in terms of the operating budget was that foreign language staff were reduced from some 140 down to 68. We now have, at best, about a dozen persons in Radio Australia with Indonesian language skills. We have had the slashing of foreign language programs as a consequence. We cancelled Cantonese programs—a pity about those 200 million to 300 million people who live in the southern part of China; we do not care about them any more. We cancelled altogether the Thai language programs—forget about all those people who live in Thailand. Japanese? Out the door; do not worry about the 130 million who live in Japan. And we slashed the rest of the language programs as well.

That is just the operating budget. The real doozy, however, lies in the transmission budget and the lease/sale of the Cox Peninsula transmitters. In 1996 the transmission budget for Radio Australia was the princely sum of $7.4 million. By 1998 this government had reduced that outlay to $2.9 million and had retreated to using transmitters in Shepparton in Victoria and the small transmitting capacity in Brandon in North Queensland. The result is that, from what was historically our reach across all of Asia, across all of the Indonesian Archipelago and through Melanesia, Micronesia and Polynesia, we have ended up with a bonsai service that now is only capable of sending its message to the eastern part of the Indonesian Archipelago, PNG on a good day and inner Melanesia. The insult to injury lies not just in the closure of the Cox Peninsula transmitter but in its lease/sale to the Christian fundamentalist broadcaster, Christian Vision. What we had was the sale of an institution, the discounted capital value of which was probably something in the order of $50 million. The cost of the 1995 refurbishment to Cox Peninsula was $15 million in itself. How much was it actually sold/leased to Christian Vision for? We have total official silence on this question to this day from the government. It is about as secretive as the government’s handling of the telecard affair, which has been the subject of debate in this chamber today.

But I would like to inform the House this evening that I have been informed by my own sources in the Australian Public Service that the sale price for the Cox Peninsula transmitter was $2.5 million. Given that the discounted capital value of this asset is something in the order of $50 million, even if you take that to one side and simply look at the refurbishment investment only several years prior to the sale/lease of this facility of $15 million, how can you justify the sale of a Commonwealth government asset for $2.5
It simply represents, I think in the most conservative of criticism from this part of the House, a financial scandal, quite apart from it being a foreign policy scandal in terms of the circumstances in which it has now left us in this region. How long is this lease for? It is for 10 years. Here again is the sting in the tail: this is not just a lease. What have been leased are the land and the buildings. What have been sold are the transmitters. So Christian Vision are empowered under the terms of their lease, I am advised, to move those transmitters at any point at which they so choose in the future. It may be that they will find another site in another country where those transmitters can be relocated.

The reaction to the government’s decision on this particular matter has been extreme, across this country and elsewhere within the region. For example, Sabam Siagian, a former Indonesian ambassador to Australia, was quoted recently by Tim Dodd, writing in the Financial Review. He said:

It shows the insensitivity and the intellectual laziness of those officials who are in charge of this kind of thing.

That is, to have allowed it to happen at all—to sell an Australian government facility to Christian Vision, which has subsequently been taken up to broadcast evangelical messages to South-East Asia and to a substantially Islamic country lying immediately to our north. An editorial in the Australian on 5 June said:

One of the more shortsighted actions of the Coaltition Government in 1997 was to emasculate Radio Australia, which had provided a voice of information and encouragement to a large audience in South East Asia.

It was a conduit of our relations with many other countries and its loss was interpreted by many Asians as signifying a loss of interest, if not an act of contempt.

Similarly, the Age of 9 June stated:

The Howard Government has just made one of its most ludicrous and ill-timed decisions—to lease Australia’s most powerful shortwave transmitters, on Cox Peninsula west of Darwin, to a fundamentalist group called Christian Voice International.

Michelle Gilchrist wrote in the Australian on 3 June:

Selling off the Cox Peninsula transmitter was always going to cut Radio Australia off at the knees. It also demonstrates the extraordinary indifference with which most of this Government and the Department of Foreign Affairs regards the station, widely seen as Australia’s voice overseas.

So much so that, on 3 June, we had a gentleman by the name of Donald McDonald, who I do not believe is a friend of the Labor Party; I believe he is Chairman of the ABC—

Mr Emerson—No. I think he is associated with the Liberal Party.

Mr Rudd—As the member for Rankin reminds me, there is some direct association with the government and, I think, the Prime Minister in particular. What did Donald McDonald have to say on 3 June? He said:

What I would really like is an expression of support from the Minister for Foreign Affairs on the unique role of Radio Australia in the region.

The Australian goes on to report:

Mr Downer’s office last night declined to respond to Mr McDonald’s statement.

Donald McDonald is no friend of the Labor Party. Donald McDonald actually represents Liberal Party Inc. He is the Chairman of the ABC. He was resorting to the public media of this nation to ask, ‘Will you at last, government of Australia, provide us with a clear statement of whether you regard Radio Australia as being important or not?’ The answer he was getting at that stage, and I believe he is still getting today, is that the government remains disinterested.

But what of the government’s reaction? This year we had the first signs of total panic. We had an announcement of $3 million per annum for three years. How much of that will go to the operating budget for Radio Australia? The answer is zero. That $3 million has been dedicated to additional transmission capacity only. Remember, that was cut from $7.4 million down to $2.9 million by 1998. In other words, when you add the extra amount that is being contemplated it will, at best, grow back to 60 per cent of what it was five years ago, and no Cox Peninsula transmitters. Here is where the scandal
deepsen: how are they going to use this extra transmission budget, given that we do not have Cox Peninsula anymore?

There are three ways. The first is via a company called Merlin Communications. Radio Australia is now trying to lease available transmission time from transmitters owned by the Singapore Broadcasting Authority, which is owned in turn by the Singaporean government. That is terrific, except that there are two problems: Singapore’s bilateral difficulties with both Malaysia to its north and Indonesia to its south and its east are well known. Singapore exists as a Chinese island in the midst of a Malay Islamic sea. We saw precisely the sorts of implications that has for Australia’s foreign policy interests last year when this country, having removed Cox Peninsula from its broadcasting capacity, sought to transmit a message through Indonesia using the Singaporean transmission facility. What was the response from the Singaporean government at the time? ‘I am sorry, Radio Australia; I am sorry, government of Australia; we cannot do that. Why can’t we do that? Because we believe that our bilateral relations with Indonesia are too sensitive and don’t permit it at this time.’

That is just one case in point among several cases in point which will emerge in the period ahead. But it does not stop with plan A, which is Singapore. Plan B is—guess where?—Taiwan. Again via Merlin Communications, we are buying space transmission time, when it is available, from Taiwanese CBS—the Central Broadcasting Service. Who owns CBS in Taiwan? Is it a private company? Until recently I thought it was. In fact, it is not. It is the Central Broadcasting Service of Taiwan, owned by the government of the so-called Republic of China and substantially historically under the control of the former ruling party, the KMT.

When it comes to providing a long-term secure base for broadcasting Radio Australia’s message to North-East Asia, what happens if the PRC ends up in some future difficulty with Taiwan? Don’t you think it is at all possible that Beijing might regard it as a little passing strange that that is where we choose to lodge our future transmission capacity? Why would Australia wish to have its broadcast capacity located in a part of North-East Asia which is going to be, in the future, subject to the ebbs and flows of the China-Taiwan relationship—a relationship which, in recent years, has been anything but stable? But our broadcast has already commenced, and English and Chinese services are being provided through Taiwan as we speak.

So that is plan B. What is plan C? This is, I think, the doozey of them all. We are going to buy back time from Christian Vision, to whom we sold the Cox Peninsula transmitters only recently. So, after getting a $50 million facility for $2.5 million—bargain basement price—how much of the $3 million that the government has announced it is going to spend on extra transmission capacity is it going to give back to Christian Vision to obtain further transmission capacity? As of today, we do not know precisely, but we do know that that $3 million will be spent with the following split: about 10 hours per day for Singapore and Taiwan and about five hours a day extra transmission time via Christian Vision, now the owners of the Cox Peninsula transmitters.

Mr Emerson—It sounds like a seller’s market.

Mr Rudd—I think so. In the past we had a 24-hour-a-day, region-wide service, but what do we have now? We have, at best, what we are left with by a combination of the political sensitivities of the Taiwanese and the Singaporeans, and what Christian Vision might happen to have available to sell to us in the sweet by and by.

When you pull all these threads together, it makes for a sorry picture indeed. We have a budget which is now about 50 per cent of what it was in 1996. In terms of the program content, it has declined, because news and current affairs—the hallmarks of Radio Australia for 60 years and the rock upon which that institution’s credibility has been built—now yields to music programs and lifestyle programs. And programs are often repeated. Why? They have bought this extra capacity but, because there has been no supplement to the operating budget, there are no extra programs to play through the extra
transmission capacity. So you now find that there are repeated programs.

As far as air time is concerned, we operated 24 hours a day before, so we were in the peak timeslot. Now we take shoulder time or whatever happens to be available. As for the frequencies, in the past Radio Australia operated across five to six frequencies and could be picked up anywhere at any time. Now we are restricted to one or two frequencies—much harder to find on the dial. Not a bad job done by this government over a five-year period, and I believe it reflects everything that we have seen with the debacle of Australian Television International—which is another story in itself.

As for the sale to Christian Vision, I am not opposed to Christian broadcasting operations broadcasting into South-East Asia or elsewhere. I am a member of the Parliamentary Christian Fellowship. What I have reservations about is the wisdom of the Australian government being party to a bargain basement deal which gives that particular operation effect. Why did this government do it? I do not know. Disinterest? Plain shortsightedness? Part of its overall strategy of disengagement with Asia? It is difficult to tell. Senator Alston’s excuse at the time was, ‘We now see the end of short-wave broadcasting. It is no longer relevant.’ If it is no longer relevant, why are the Voice of America, the BBC, Deutsche Welle, Radio Netherlands, and every other credible international broadcaster—except the Howard government here in Australia—adding transmission capacity for short-wave broadcast? What has the foreign minister of Australia done about this? Foreign ministers are supposed to be guardians of the gate when it comes to the nation’s long-term national and particularly international interests. He has let the barbarian through the gate and buggered Radio Australia as a result. (Time expired)

Mrs DE-ANNE KELLY (Dawson) (6.20 p.m.)—Governments have a clear duty and responsibility to act in the enlightened interests of their people. This bill is a clear illustration of that duty and responsibility. It establishes a new broadcasting regime for international broadcasting services transmitted from Australia by satellite and short wave for the first time. This is a long-overdue measure because the potential for broadcasts from Australia being against the national interest is very significant. The government has accepted the thrust of the recommendations of the Senate Foreign Affairs, Defence and Trade Legislation Committee, which considered this bill in relation to the operation of the proposed licensing scheme and in particular the role of the Minister for Foreign Affairs.

The Broadcasting Services Amendment Bill (No. 4) 1999 provides a means for the Minister for Foreign Affairs to determine whether a broadcast service is actually contrary to the national interest. In determining this, the minister will have regard in particular to the likely effect of the service on Australia’s international relations. Under the new licensing scheme, all international short-wave radio services transmitted from Australia, and all international satellite radio and television broadcasting services originating in and transmitted from Australia, will be required to obtain an international broadcasting licence from the Australian Broadcasting Authority. The ABA will in turn refer the applications for licences—together with a report about whether or not the proposed service complies with the international broadcasting guidelines to be developed by the ABA for licences—to the Minister for Foreign Affairs. The minister will then be required to make an assessment about whether or not the proposed service will be contrary to the national interest. The minister will be empowered to direct the ABA to issue formal warnings to international broadcasting licensees to suspend or cancel an international broadcasting licence if, in the opinion of the minister, the service is contrary to the national interest.

We all value in this country freedom of expression, but there may be some who will see this bill as imposing for the first time in peacetime a form of political censorship. However, with every freedom comes responsibility, and the government acknowledges that that is the case in dealing with our regional neighbours. The government would be negligent if it did not have a realistic and enlightened attitude to the furtherance and
protection of our national interest. We live in a world and in a region which is often fraught with instabilities. Our neighbours, with whom we generally enjoy sound relations, are understandably very sensitive to the possibility of, as they see it, destabilising propaganda being beamed into their countries. Naturally, anyone would expect that a good neighbour would not allow such material to be broadcast. In the wider context, an unstable and restless region clearly does not serve Australia’s self-interest. Our defence and trade relations with our neighbours are best served by a peaceful relationship based on mutual respect and regard. It would be a travesty if, for example, our primary produce exports to any of our neighbours were put in jeopardy because antigovernment propaganda was being broadcast freely from Australia. The offended government would have every right—in fact, many have in the past—to ask the Australian government what it intended to do about such insulting and provocative material. With the passage of this bill, the government will, quite properly on behalf of the Australian people and the national interest, be able to make a measured and considered response.

This bill will not override our very proud tradition of tolerance and free speech. It will show our commitment to the region and to being a sound and responsible neighbour, cognisant of the sensitivities of our neighbouring countries. It is quite plain that sometimes what is acceptable for a domestic audience within Australia does not take account of sensitivities, instabilities and different political cultures that exist in neighbouring countries. Those who wish to establish an international broadcasting service based in Australia have to understand that they can only do so if they do not abuse our laws, our hospitality and our tradition of tolerance. There is not any unfettered right to transmit from Australia material which could be seen as prejudiced, provocative and the like. Whatever some might think, or pretend to think, a country that allows the unfettered and uncensored international broadcasting of material is identified with that material. By doing nothing it could be seen that the Australian government—and the Australian people by default—was actually a silent partner in the broadcast. Certainly beauty, like offending material, is in the eye of the beholder. Nonetheless, this bill quite properly accounts for the sensitivities of our neighbours.

I notice that the member for Griffith and the opposition have proposed an amendment such that the minister responsible for overseeing material and allocating licences will be the Minister for Communications, Information Technology and the Arts. If the member for Griffith, who has made much of the Cox Peninsula and the Radio Australia situation, and the opposition are uneasy with the decision making in that process—and we must remember that that decision making emanated from the Department of Communications, Information Technology and the Arts—it seems strange that, having criticised that decision, they would now want to put this very sensitive foreign affairs decision making in the hands of the department of communications and the minister for communications. While I take no part in the debate about Cox Peninsula and Radio Australia, it seems that there is a conflict in the opposition’s thinking. It is appropriate that such decision making be made by the Minister for Foreign Affairs. We would not expect, for instance, the Treasury portfolio to make in-depth decisions about health matters and vice versa. It is appropriate in this case that the Minister for Foreign Affairs, who travels widely throughout the region and is cognisant through his department of the sensitivities, the concerns and the changing ebbs of our relationships with our neighbours, be responsible for that decision making.

I will talk very briefly about the Australian Broadcasting Corporation, which of course is making its own news at the moment. My party, the National Party, met last night with the Managing Director of the ABC, Mr Jonathan Shier. While it was a very cordial meeting, Mr Shier went away in no doubt about our concerns and views. He was also good enough to apprise us of the concerns that he is going to address. Let me talk very briefly about the concerns in rural and regional areas. For those of us in my electorate who do not get a morning paper tossed over our fence—and that makes up a great
proportion of us in Dawson—we would have no independent news service and no ability to get balanced views and news. It would be trial by talkback, or we would be subject to the latest development on radio, which is not entertainment but ‘complainment’ through talkback. The reality is that people in rural and regional areas deserve something better, as do all Australians. They deserve a national broadcaster, and I am pleased that Mr Shier is committed to a completely national broadcaster owned by the government and that that broadcaster be independent and address the particular concerns of rural and regional Australians.

The commitment to regional radio is particularly pleasing, with programs such as AM, the news, The World Today, PM and Radio National.

Ms Kernot—And the 7.30 Report.

Mrs DE-ANNE KELLY—That is actually not radio. I will get to television shortly. Perhaps we had better learn a bit about the ABC. I have not noticed the 7.30 Report on radio recently—it is actually on TV. Television is very important. Those in country areas, coming home in the evenings, automatically switch on the news and then watch through to the 7.30 Report. I do not believe it is appropriate to put that current affairs program on later because most country Australians have long gone to bed or children have been sent off to bed and they are busy preparing for the next day. All the programs I have mentioned are quite fundamental to people in my electorate. I believe it is appropriate that the National Party support the ABC, provided that the ABC gives a commitment to supporting our constituents in the programs that they find necessary and appropriate to their circumstances.

Ms Kernot—What does that mean?

Mrs DE-ANNE KELLY—It means that people in the bush like to listen to radio and watch television.

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

Mr EMERSON (Rankin) (8.00 p.m.)—I wish to speak to the Broadcasting Services Amendment Bill (No. 4) 1999 and also to the Labor amendment which has been circulated. The gutting of Radio Australia was part of the savage funding cuts to the ABC imposed by the Howard government. Those funding cuts were a ‘get square’ against the ABC for failing to support the coalition in the lead-up to the 1996 election. Now we have the spectacle of government members, particularly National Party members, seeking to direct the ABC, saying, ‘Don’t you cut the ABC programs in regional Australia.’ We even had Senator Boswell, in a very thinly veiled threat against the managing director of the ABC just yesterday, saying, ‘Remember, we are the ones who support the managing director.’ Essentially he was saying, ‘If you don’t do what we say and what we like, we will replace you.’

We have had this parade, particularly of National Party members of parliament, coming to Canberra, voting for the funding cuts and then going back to their electorates saying, ‘It is essential that we protect the integrity of the ABC, the viability of the ABC and the broadcasting of programs to regional Australia by the ABC.’ National Party members in particular are tigers in their electorates and kittens when they come to Canberra. When they had the opportunity to voice their concern about the funding cuts that were being proposed by the Howard government in the early months of the government in 1996 and were asked to vote on those funding cuts, up went their hands: ‘Yes, we are in favour of cutting funds to the ABC, particularly savage cuts to the funding of the ABC.’ Now they go around protesting and saying, ‘The ABC must not cut programs to regional and rural Australia.’ The Leader of the National Party and Deputy Prime Minister of Australia has basically exhorted the ABC that it must do more with less. We have members saying, ‘We have to maintain these programs,’ yet they vote in favour of funding cuts.

Furthermore, when it came to a very important vote in the Senate in relation to broadcasting and datacasting—as to whether the ABC would be allowed to enter the digital era—again National Party and Liberal members were saying, ‘No, we want to hogtie the ABC so that it is not viable in the digital era. We want to restrict its capacity to
compete effectively against the commercial networks in relation to online services and datacasting.’ So there you go: the National Party support funding cuts for the ABC, they support hogtying the ABC when it comes to entering the digital era, but they say to their constituents back in their electorates, ‘Oh, look, we are all in favour of the ABC providing programs to rural and regional Australia and we will be taking action unless the ABC does that.’ The ABC cannot go on doing more with less, yet that is the decree that has been laid out by the Deputy Prime Minister.

I take this opportunity to mount a defence of the ABC and to state the importance of the ABC to maintaining a viable democracy in this country. In order to maintain a viable democracy in this country so that news and current affairs are not solely the prerogative of the ownership of the commercial media, it is very important that we have a viable ABC. In supporting the ABC I do so not based on any experience of the ABC being a particular friend of the ALP. I will just mention some personal experiences. When I was a junior staffer to former Prime Minister Bob Hawke I was invited to go to the studios to watch the live recording of an interview from an ABC current affairs program. I had been involved in the relaxation of coal export controls and we were assured that that was what the program would be all about. The interview started and there was one question, or maybe two, about the government’s decision to relax the coal export controls. The next 10 or so questions were about Bob Hawke’s friendship with Kerry Packer. Prime Minister Hawke was pretty resentful of that from the ABC, but at the time the ABC believed that they were broadcasting a matter of national interest. Whether they were right or wrong in doing that, I think they do have the prerogative of broadcasting material without fear or favour from the government of the day.

I recall another example where Kerry O’Brien—who has already been mentioned by the member for Moreton in the debate today—from the ABC accompanied us on a trip to the Middle East. While I cannot remember the precise detail, he was very critical at the beginning of Prime Minister Bob Hawke’s visit to the Middle East. Again, Kerry O’Brien regarded that as the right call. He was certainly not supporting the ALP. It is quite strange that we have the member for Moreton saying that Kerry O’Brien is not a worthy commentator. I think he is, because he obviously portrays things as he sees them. Sometimes that is a criticism of the government and sometimes it is a criticism of the opposition. We all need to be mature enough to take that sort of criticism, even if sometimes we do not regard it as particularly fair. I also recall an occasion in one of the election campaigns when Prime Minister Bob Hawke nearly walked out of a *Four Corners* interview because the whole program was based on the assertion that the government was not a true Labor government, that a true Labor government would have done a whole lot of different things to what the Hawke Labor government had done.

So let us not be under any misapprehension that throughout the period of the previous Labor government the ABC was in some way pro-ALP. The ABC criticised where it saw, rightly or wrongly, deficiencies in what the government was doing. It has done the same thing in relation to this government. I believe the government lacks maturity in handling the criticism made of it by the ABC. It is responding by wanting to hogtie the ABC. It is sending a very clear message to programmers and journalists at the ABC: ‘If you do not toe the line, then under our new managing director your current affairs program could be cut or abolished and your job could be gone.’ It is an attempt at censoring the ABC, and that is a very bad sign for the health of our democracy.

I was very interested in the member for Moreton’s criticism of the ABC, his exposition of how knowledgeable he is about programming and all the technicalities of broadcasting and his criticism of Kerry O’Brien in particular. It certainly sounded to me like a job application for the member for Moreton, in the expectation that he will be in great peril of losing his seat at the next election. He may be clutching on to a vain hope that, even if he loses his seat, the government will hang on at the next election and then he too, like many of his friends and associates, could...
be appointed as a board member of the ABC, along with many past and present members of the Liberal Party. The *Sunday* program very clearly described the Liberal Party associations of the various board members, most of which were pretty well known. It is getting to the point where, in order to enter the boardroom, you need a Liberal Party card—I do not have one; this is another card, of course—which operates as a key card. A Liberal Party membership card seems to be what is needed to become a board member of the ABC. That is a very unhealthy development. We are having to confront a situation where this government, which is so intent on muzzling the ABC, continues to appoint very close associates, if not active members, of the Liberal Party to the board. The government shows a hypersensitivity and a determination not to be dictated to by the ABC by ensuring that it imposes maximum pressure on the ABC to mute its criticism of the government.

It reminds me again of the imperative that media policy should be developed with the national interest in mind. Too often in the past—and I refer especially to this government—media policy has been developed with the interests of one commercial broadcaster or media operator in mind and then later with another media operator in mind. So often it has become a matter of compromise in which a particular media proprietor is appeased this time but then the other media proprietor gets upset so that next time the mentality is: ‘We appeased this particular proprietor the first time; we had better appease the second proprietor this time, and we will appease the third proprietor the time after that.’ That, to me, is not the basis of good policy in this country. The media industry is still one of the most highly regulated industries in this country, which seems ironic as we enter the information age. I think it is an anachronism in government thinking that somehow progress can be made by piecemeal adjustments designed to appease one media proprietor and then another.

I hope that over time this old economy thinking—that is, the very heavy regulation of the media industry—will change and that, indeed, the media proprietors themselves will come to appreciate that a win today might be a loss tomorrow. I hope that they will start thinking differently—in terms of the long-term viability of media in this country and the value in having genuine competition in media. If we can move in that direction, we may actually find that media policy can be developed with the national interest in mind rather than the interest of individual media proprietors. This old economy thinking of appeasement of one proprietor and then another is not getting this country anywhere. It just means that we are getting more and more complex regulation. As technological change occurs at a breathtaking pace in the media, we are witnessing governments trying to catch up and regulate; but, as they try to regulate, the industry moves on because there are further technical developments in the digital area and so on. It seems to me that, as a result of that, the regulations developed are clumsy and cumbersome because they are always behind and not ahead of the pace. There seems to me a lot of value in having a debate in this country about developing media policy which, instead of heavily regulating the media, recognises the fact that media will continue to develop at a breathtaking pace and that it would be in the national interest to think about less rather than more regulation.

I want to emphasise the fact that the National Party time and time again say one thing in their electorates. I speak particularly of the Queensland National Party. They say one thing in their electorates and then they come to Canberra and do exactly the opposite. We have already discussed television tonight. They stick up for the ABC in their electorates and then they come to Canberra and vote for cuts to funding of the ABC. They stick up for the ABC in their electorates and they come to Canberra and vote to hogtie the ABC in relation to its entry and viability in the digital age.

On the question of Telstra, it is the same thing. We have National Party MPs like the member for Dawson—who spoke before me but has not finished her speech apparently—who says in her electorate, ‘I am totally against the sale of any part of Telstra.’ She comes to Canberra and, when the vote is on,
up goes her hand as quickly as the other Queensland National Party members. The member for Hinkler is the Chair of the Standing Committee on Communications, Transport and the Arts. Again and again he says he is sticking up for the ABC or says that he is very opposed to any further sale of Telstra. That is what he says in the electorate, but when he comes to Canberra he votes otherwise.

It is time that the hypocrisy of the National Party was exposed on these matters. It is something that I will be taking a very personal interest in so that the people in electorates such as Dawson and Hinkler in Queensland are fully aware of the duplicity of National Party members as they say one thing in their electorates and do another thing in Canberra. In their electorates they are tigers and in Canberra they are kittens. That is the reality that we see every day as Queensland members of parliament, because we hear and see in print what they say in Queensland and then we come down to Canberra with them and they do exactly the opposite. As we are now in the 21st century, in the digital age, it is important in this country that the ABC be viable, that there is enough maturity in the Australian parliament on both sides of politics to accept criticism from the ABC even when we do not consider that criticism to be fair. A healthy, viable ABC is very important for the viability of our democracy.

Mr SNOWDON (Northern Territory) (8.16 p.m.)—I commence by reminding people that the Broadcasting Services Amendment Bill (No. 4) 1999 proposes to provide a licensing framework for international broadcasting services from Australia whilst safeguarding Australia’s national interest. I will go on to say some more about that in some detail a little later. I want to comment on the contribution made by the member for Rankin, who I think has hit the nail on the head in relation to the duplicitous way in which members of the government deal with issues such as the ABC, Telstra, fuel, the GST, education in rural Australia, etc. He is no less correct about the ABC than he is about those other issues.

As you know, Mr Deputy Speaker, I am the member for the Northern Territory. The Cox Peninsula transmission facility is based just off Darwin. You will recall, Mr Deputy Speaker, that, when it was announced by the Minister for Communications, Information Technology and the Arts, Senator Alston, I think in June 1998, that the government was going to close Cox Peninsula and ‘sell it off for scrap’, one of the few voices in Northern Australia to object was mine. The silence from the CLP representatives in Canberra, coalition partners—

Mr Emerson—The silence of the lambs.

Mr SNOWDON—Absolute silence of the lambs. From Senator Tambling, sitting with the National Party, nary a whisper about what this would mean for Northern Australia. You will recall, Mr Deputy Speaker, that this was only a short period after the previous Labor government had spent about $15 million to upgrade the facility. It was pointed out at the time that this would have grave ramifications for Australia’s standing within the region. It was pointed out at the time that it would impact on our ability to deliver appropriate information services into the region, and those of us who were critical were rubbed. From the Northern Territory government—not a whisper. From the CLP representatives here in Canberra—the previous member for the Northern Territory and the current CLP senator for the Northern Territory, Senator Tambling—we heard not a word. Surprisingly, in the last week we have heard Senator Tambling talk about his concerns about ABC funding. He has at least got the script right. As the member for Rankin has said, we have seen the way in which the National Party and other coalition members treat these issues when they are in their electorates and what they do when they are here.

Some months ago I was critical of the ABC for taking a position out of Katherine in the Northern Territory. Again, you would have thought that, given the recent statements by Senator Tambling, he would have expressed similar concerns about the ABC withdrawing personnel out of a regional area, relocating that person to Darwin and saying that they were providing an effective service. Of course, there was not a word at the time. And what we know now about the ABC in
the Northern Territory is that they have no news positions outside Katherine or Alice Springs. It is a bit hard to fathom how they can adequately and comprehensively cover the news and events of the Northern Territory, let alone the rest of Northern Australia.

But I do not want to digress from the way in which the National Party and its colleagues, including Senator Tambling, who sits with them in this place, have dealt with these issues and the contradictory positions they adopt in their electorates and here. Other people have addressed this issue. I saw the shadow minister for foreign affairs speaking on this issue. People have spoken eloquently about the importance of having the Cox Peninsula facility reopened. I will come to that a little later.

I want to raise the issue of another facility, which was set up by the previous Labor government, and that is Australia Television. Australia Television was put in place and funded via the ABC by the previous Labor government. It is worth noting that at the time the facility was opened, broadcasting out of Darwin with a news service and programming from the ABC into South-East Asia, the current President of the Liberal Party, then the Chief Minister of the Northern Territory, rubbished the idea that we should have such a service operating out of Darwin. It was not too long after the Howard government was elected that it took the decision to close that facility through the ABC and awarded the job to Channel 7. That meant the removal of staff and positions out of the Northern Territory, with the loss of the expertise out of Darwin. That facility has now been relocated and is run by Channel 7. Mr Deputy Speaker, it may surprise you to learn that Channel 7 has decided effectively to broadcast into South-East Asia. As I read the requirements in this request for proposals, it is very clear that it is made to order for the ABC. Yet there is absolutely no doubt in the world that even if the ABC were to put in a proposal it would not be supported. The government acknowledges in this advertisement that there will be funding support from the federal government. I ask: if you put together the Cox Peninsula facility and the ATV’s facility, what was the cost benefit of closing both facilities? Absolutely negative, both economically and socially. We are now in the stupid position—the absurd position—where the facility at Cox Peninsula has been leased to a Christian organisation based in Great Britain and the Australian government is seeking to negotiate a set of arrangements so it can at least broadcast through that facility again.

We have had no apology from the government, the CLP in the Northern Territory or any spokesperson from either party to the Australian community for the stupid policy decision which was taken in the first place and the absurd pronouncement that the transmission facility was to be sold for scrap. It cost us money the previous Labor government invested in infrastructure, we have lost credibility, and now we are seeking to re-broadcast into the region. We have not seen the government admit that they were wrong. We have not seen anyone who masquerades as a representative of the government in the Northern Territory express concern that this was a muddle-headed and stupid decision in the first instance, nor have we seen any similar words being expressed by those same people about the way in which the government is now being forced to rethink the proposals and how to deal with the Australia Television service to the Asia-Pacific region.

Two initiatives of the previous Labor government which were important to us both in terms of foreign policy objectives and in terms of our community and national stand-
ing within the region were gutted by the incoming Howard government on all sorts of banal excuses. They have clearly been found to be wanting, the policy decisions they took have been found to be wrong, yet we hear no apology, not a word of contrition, not a word to express, ‘Listen, Warren, you were correct when you were critical of us, on both counts’—not a word, and of course we won’t hear one, just as it is true that we won’t hear a word here in criticism of this government and its funding arrangements with the ABC.

We have heard how there have been meetings between the National Party members here in Canberra and the ABC managing director. We have heard how—and I am quoting from the *Australian* headline of today—‘Bush warns Shier on cuts’. Presumably he said, ‘Can you make sure we get a bit more money?’ Who are going to be the advocates for knocking over the Leader of the National Party around the issue of budget cuts to the ABC? Who are going to be the advocates within the coalition to step up to the plate and argue with the Treasurer, the Prime Minister and the Leader of the National Party that more funds are required for the ABC so as to ensure that it can do its job appropriately and properly service the needs of regional Australia. We have heard how there have been meetings between the National Party members here in Canberra and the ABC managing director. We have heard how—and I am quoting from the *Australian* headline of today—‘Bush warns Shier on cuts’. Presumably he said, ‘Can you make sure we get a bit more money?’ Who are going to be the advocates for knocking over the Leader of the National Party around the issue of budget cuts to the ABC? Who are going to be the advocates within the coalition to step up to the plate and argue with the Treasurer, the Prime Minister and the Leader of the National Party that more funds are required for the ABC so as to ensure that it can do its job appropriately and properly service the needs of regional Australia.

I take great interest in watching the way National Party members in this place and other persons who sit here saying they represent regional Australia operate. I watch the contradictory positions they adopt and note what they say outside of this place when they are in their electorates, how they vote when they are in here and how they support, down the line, the government’s initiatives in terms of cutting budgets for people in the bush and cutting the resources allocated to organisations such as the ABC. We do not hear a word from them by way of objection to the way in which the government is proceeding. The same is true of the CLP government in the Northern Territory. They sit as lap-dogs when it comes to being objective about or even expressing a little bit of self-interest in the way in which this government is treating regional Australia. I hear the Northern Territory Chief Minister attacking individuals in this place. He has had an argument with Senator Tambling about what he has done and has not done. But that same Chief Minister has not expressed one bit of concern about the activities of this government. I did not hear him complain about the withdrawal of staff from Katherine. I have not seen him express concern about the way in which the Cox Peninsula issue has been dealt with.

What we need here is a little bit of basic honesty. The people in my electorate and in other regional electorates, as has been expressed by people in the National Party who live in regional communities, rely on the ABC. They require it to understand their regional needs and concerns. But talk is cheap. National Party members can come in here and express, as they do, their concern about budget cuts within the ABC, but they have done nothing constructive about changing the way in which this government deals with the issue of providing additional resources for people in regional Australia in terms of ABC services. I am sure I would be quite critical of some of the management decisions taken by the current managing director. I was also critical of decisions taken by the previous managing director. I do not see, as the some of the National Party see and as the member for Moreton sees, the ABC as a partisan organisation—far from it. It is the national broadcaster. It has national responsibilities. It does not just have responsibility for providing the *7.30 Report*, which of course is a national program; it also has responsibility for providing region specific programs. I am afraid that, because of the way in which decisions have been taken by the ABC management, regional Australia has suffered. I am concerned that the statements made in here and outside this place by National Party members and other coalition members, who express their concern about the ABC, really amount to nought when it comes to getting something effective done to assist the ABC by providing it with additional resources.
It is important that we understand here in this place that, as representatives of the Australian community, we should take the good with the bad, at least in terms of the way in which we might be seen by journalists who comment on national affairs. I am concerned about the way in which some members of the government have sought to personalise their attacks on individual broadcasters working on ABC TV and have expressed views about the way in which they carry out their functions simply because they disagree with them. The fact is that we live in a robust democracy. You would have thought that those people who are advocates of democracy, those people who believe in freedom of speech and those people who believe that we ought to have some semblance of reasonable and independent analysis of what we do in this place and of public policy or of the way in which the government or, for that matter, the opposition operate.

This legislation is important. The amendments which have been moved by the Labor Party deserve the support of this parliament. They express well, in my view, the need for us to come to terms with our obligations, particularly in relation to the funding cuts to our national broadcaster and the impact that has had on Radio Australia. I repeat again that I am looking forward to the day when I will see those people who were so quick to make these stupid policy decisions about the Cox Peninsular transmitter and ATV come into this place or even hold a press conference outside and say, ‘We were wrong. What we did was stupid. It was against our national interests and against the interests of the national broadcaster.’

Mr MURPHY (Lowe) (8.36 p.m.)—I would like to make my contribution in this debate tonight on the Broadcasting Services Amendment Bill (No. 4) 1999, which relates to international broadcasting services, particularly those which target the Asia-Pacific region. I particularly want to speak in support of our proposed amendments as they relate to the national public broadcaster, the ABC. I will come to those later. This bill will amend the Broadcasting Services Act 1992 and the Radio Communications Act 1992 to establish a broadcasting licence regime for international broadcasting services transmitted from Australia and in doing so will work to protect Australia’s national interest. To come within the parameter of the proposed regime, broadcasting services must be delivered by the use of a radio communications transmitter and comply with determinations under section 19 of the Broadcasting Services Act 1992, where the ABA is able to determine additional criteria for the purpose of distinguishing between categories of broadcasting services.

Given that in the Senate Foreign Affairs, Defence and Trade References Committee report of May 1997 entitled The role and future of Radio Australia and Australia Television there were 38 international radio broadcasters targeting the region and over 50 satellite television stations, only 10 of which were government owned, it is appropriate to regulate this industry, which continues to grow rapidly. According to the Bills Digest, the bill will require providers of international broadcasting services to obtain an international broadcasting licence from the Australian Broadcasting Authority. The ABA will be required to refer all applications for such licences to the Minister for Foreign Affairs, who will be able to direct the ABA not to issue the licence if he or she considers that the service is likely to be contrary to Australia’s national interest.

I would like to now discuss a number of weaknesses contained in the bill. There is a weakness in the lack of definition of what Australia’s national interest actually is. I often note here in question time, particularly when the Prime Minister, the Treasurer and the Minister for Workplace Relations and Small Business are talking about the national interest, that in their view the national interest—from my observations on this side of the chamber—seems to reflect how our economy is performing, with record profits and the big end of town doing very well, when perhaps they should be talking about the public interest, which is the common good. I note that the bill’s primary object is to ensure that Australia’s national interest is
to be safeguarded. But it is interesting to note that the meaning of ‘national interest’ depends on the political environment in our region. This can fluctuate from day to day, depending on the issues of the time and on those who are in government in neighbouring countries.

The second weakness in the bill is that, given that the Minister for Foreign Affairs has no responsibility for the area of communications, it is imprudent to allow the Minister for Foreign Affairs to make decisions on matters outside his portfolio. I would point out that there is a problem where the national interest in making such a decision may dissatisfy a foreign government. If such a case were to occur, under the present plan the minister would be in a compromised position in handling pressure from foreign governments. However, if the Minister for Communications, Information Technology and the Arts were to make the decision, the Minister for Foreign Affairs would not be held responsible by foreign governments for such a decision and that would certainly be in Australia’s best interests in terms of international relations.

I strongly support the second reading amendment moved by my colleague the shadow minister for communications, Stephen Smith, that, as recommended in the additional statement attached to the Senate Foreign Affairs, Defence and Trade Legislation Committee report on this bill in April 2000, the bill should be amended to allow the Minister for Communications, Information Technology and the Arts to be the person responsible for deciding on whether an application for an international broadcasting licence is contrary to the national interest. Further, the bill should be amended to allow the Minister for Foreign Affairs to provide advice to the Minister for Communications, Information Technology and the Arts as to whether an application for an international broadcasting licence is contrary to the national interest. This legislation exempts those services which only deliver programs packaged outside Australia where all relevant programming decisions are made outside Australia, where the service is transmitted from a place outside Australia to an earth station in Australia for the purposes of immediate retransmission to a satellite. The legislation also does not apply to the Australian Broadcasting Corporation or to the Special Broadcasting Service Corporation, known as the SBS.

I would like to move to that part of the debate dealing with the amendments, particularly as they refer to ABC. Broadcasting as we have known it is rapidly changing. Australia starts digital transmission next year, to be simulcast with analog until presumably Australian consumers convert to digital high definition or standard definition receivers. The Internet has provided great opportunities for people all over the world to make new and exciting instantaneous connections, bringing with it the prospect of e-commerce, a new way of business interacting with consumers, and new forms of knowledge, communication and entertainment.

What is happening to the national broadcaster, the ABC, at the moment, as we undergo what is called the convergence of telecommunications, broadcasting and computing, is disturbing. To stay in the game, the ABC needs adequate funding. I have seen what the Managing Director of the ABC, Mr Jonathan Shier, had to say on the Sunday program last weekend. Some of it is very interesting. Yes, there is a lot more that the national broadcaster could do in education and in regional and rural services. But I think it is a mark of the ABC’s parlous funding that it is being forced to divert funds from core services, like news and current affairs, for the ABC to get a foothold in digital broadcasting. We need to revisit the issue of adequate funding and, as a federal parliament, work with the ABC to rebuild the base funding over the next few years so that the ABC can meet all its charter obligations as well as take advantage of the new technology to extend services. What I am gravely concerned about—and what has not been addressed by the ABC in the current funding controversy—is the question of turning the ABC into a commercial business. Mr Shier has set up a new media services division with an e-commerce head. What does this mean? The ABC is not a business and should not be going into the market to compete with
other operators trying to establish viable commercial operations. By all accounts, they are finding the going hard enough without having the ABC trying to penetrate the market for revenue as well.

The ABC is among the most trusted and respected institutions in Australia. I believe that it is trusted and respected because it is not commercial. Its content does not come at us with a hard-sell attached. The current ABC Act prohibits the ABC running advertisements on radio or television, but the act is silent on new media. The act was passed in 1983, well before the Internet was heard of. The big question for Jonathan Shier is: does he want to turn the ABC into a fully-fledged business in e-commerce, taking advertising from its web sites or associated web sites? In my view, this would be a disastrous course for the ABC, and over time it would undermine the ABC’s independence and integrity. It is even more dangerous now, because we all know that the ABC is so strapped for cash that it could soon become dependent on commercially derived revenues. It would only be a matter of time before the content was created to meet the ABC’s commercial needs rather than the need for impartial and objective information and programming.

This issue was raised earlier this year when the ABC and Telstra were negotiating a strategic alliance. The ABC would provide Telstra with all the content for the Telstra dot.com portal. The deal was for the ABC to receive $67 million over three years, but in the dispute over terms and obligations Mr Shier believed Telstra was demanding too much. Fortunately for the ABC, the deal fell through; but are we to get more of this type of deal, which was created to meet the ABC’s commercial needs rather than the need for impartial and objective information and programming.

As you are probably aware, Mr Deputy Speaker, I have spoken at length on several occasions in this chamber about this issue, even as recently as last night during the adjournment debate. It is now a matter of urgency that this should be revisited, as the ABC is in serious financial trouble when it has to eat into its core services, its much trusted news and current affairs services, to stay—but however tiny the foothold might be—in the digital multichannel future. The ABC wants this parliament to come to the rescue. It is about time that we did, because the ABC exists under an act of this parliament. It is there to serve all Australians; it is not the plaything of executive government. The ABC board should not be stacked with party-political hacks like Michael Kroger, the former President of the Victorian Liberal Party.

Mr McGauran—John Bannon was a good appointment!

Mr MURPHY—The minister is interjecting, and I must concede that my own party has not always acted in the best interests of the ABC by putting ALP associated people on the ABC board. This has led to a history of board stacking, as I am sure the minister at the table will agree.

Mr McGauran—Make me pure but not now!

Mr MURPHY—I hope you saw the Channel 9 program Sunday and the chronology that the reporter, John Lyons, chronicled in terms of those members of the board who are connected to your side of politics, Minister. It is disgraceful. But it has also been disgraceful on this side—I accept that. What I am saying is that we must move away from this party-political manipulation of the ABC, for the ABC’s sake. We need people on the ABC board who bring a breadth of experience in corporate governance, arts, culture and broadcasting. But the best qualification of all for an appointee must be, first and foremost, a commitment to an independent ABC. We have to stop the practice of board stacking—that only politicises the ABC, and it can undermine public confidence in it.
I was very pleased to see the ABC do such a terrific job with the Paralympics. No-one else wanted it; it did not seem to be very attractive to the commercial networks. I am darned happy that it rated so well, because the ABC demonstrated in that instance that it can do it as well, if not better, than some of the commercial networks—indeed, most of the time they do it better. I was also very pleased to see on television tonight that members of the National Party are starting to make the right sorts of noises about the need to support the cries, through Mr Shier, for more funding.

I mentioned a moment ago, when the minister was interjecting, the Sunday program. I found it supremely ironic, almost Shakespearian in its dimensions, that Channel 9 was interviewing Jonathan Shier and going in to bat for the public broadcaster. Mr Shier has come under a lot of criticism over many months, and quite frankly I do not know what to make of him. I have never met the man, but I must say that at first blush I was quite impressed by that interview with Larry Oakes on Sunday. But there are mixed headlines. On Friday, Mr Shier was caned by the Australian: ‘Shier calls on staff to save ABC’. Errol Simper wrote a very derogatory report titled ‘A vision not so splendid’. Also on Friday, the Sydney Morning Herald published a report, ‘Jonathan Shier makes his grand plan sound as easy as ABC, but will the government buy it?’ The headline in the Telegraph yesterday read: ‘Government doesn’t interfere says Shier’. In the Sydney Morning Herald yesterday, the headline read: ‘Don’t dare dumb down ABC, Nats tell Shier’. The headline in the Australian yesterday was: ‘Shier takes his begging bowl to Canberra’. And today there was another pretty frightening comment by Peter Manning—who is a former head of news and current affairs at the ABC, the head of ABC Radio National and the first head of the multimedia unit—under the headline ‘ABC vision more like a nightmare’.

I am looking forward to meeting Mr Shier tomorrow. I am prepared to give him a go. I am not sure whether or not he is being very Machiavellian, but I was fortified when he took Laurie Oakes on early in the interview and said:

... I can understand why Channel Nine doesn’t have a lot of interest in a revitalised ABC. Good luck to you, Mr Shier. I am very glad he said that. Let us know what the real agenda is for Channel 9. They are not there to do a commercial for the ABC. What preceded the interview with Laurie Oakes and Jonathan Shier was the history of—

Mr McGauran—The bucket job.

Mr MURPHY—Yes, the bucket job. What they were doing was ensuring, effectively, that the status quo prevails. The last thing Channel 9 is looking for, against the background that Mr Shier is trying to ‘popularise’ the ABC, is for the ABC to increase its audience and take away advertising revenue from Channel 9. So the irony and what Channel 9’s agenda is really all about were not lost on most of us who were watching that program, but I will leave that for another day. I was fortified when Jonathan Shier gave answers to Laurie Oakes along the lines that the board had never discussed Phillip Adams. He said:

Well, Laurie, you know, our independence is absolutely fundamental.

Further on, he says:

As far as I’m concerned, the Prime Minister is like any other person who would object to what’s on the content of the ABC. That is good: he would treat the Prime Minister no differently from me or you if we rang up complaining about the ABC. Jonathan Shier went on to say:

... I reacted very strongly to the view that the ABC should not have access to multi-channelling in digital.

Three cheers for Jonathan Shier! Then he says:

It’s on record that I have more direct reports than my predecessor because I want to be more hands on.

Then Laurie tried to trap him and said:

Well, if you’re not going to listen to the staff I suppose you’ve got to listen to the— and quick as a flash, Shier cut him off and said:
I do listen to the staff, Laurie. I’m not saying I don’t listen to the staff.

Quite plainly, Laurie Oakes was trying to lead him into deep water. Then he talked about the great thing about emails these days, that anyone can email the chief executive. So I am looking forward to meeting Mr Shier tomorrow and giving him a go. I think we all should give him a go. The time has certainly arrived when we should stop playing politics with the ABC. The board is absolutely hopeless. We have to stop politicising the board and make sure that the board is truly independent because what we need to provide in this country is full support to the national public broadcaster, which is the only organisation that can offer any real opposition to Mr Packer and Mr Murdoch. If we crucify the ABC and cut off the funding, we are slaughtering the public interest because the only people who would be able to manipulate public opinion would be Mr Packer and Mr Murdoch. That would be disgraceful.

As I have said in this chamber on many occasions, the ABC will always get criticised against the government of the day, state or federal. So three cheers for the ABC. Let us give them the funding they so desperately need.

(Time expired)

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (8.56 p.m.)—I wish to thank government members who constructively and sensibly contributed to this debate, unlike the paltry efforts of a political nature which sadly have compromised the contribution by most members of the opposition, although I respect the member for Lowe. He had some worthwhile points to make in the end even he reverts to kind and cannot help but criticise government action. We do know from the report of the Sunday program, to which the member for Lowe referred on a number of occasions, that there is no suggestion of government interference in the operation of the ABC, unlike that suggested by the columnist Alan Ramsey in Saturday’s Sydney Morning Herald when he spoke of a discussion which took place between the then General Manager of the ABC, David Hill, and the then Treasurer, Paul Keating. In colourful and certainly ribald language, the then Treasurer told David Hill what he and Prime Minister Hawke had in mind for the ABC. Let me summarise Mr Ramsey’s report of that encounter by David Hill with Paul Keating. Mr Keating said he would do to the ABC what he had done to Fairfax: dismantle them, dismantle them and scatter them to the four winds until that media organisation came under the will and control of the Labor government. That was one of Paul Keating’s proudest boasts, that he broke up the Weekly Times conglomerate of newspapers and magazines, including the Channel 9 TV network.

So it is a bit rich, to say the very least, for the member for Lowe and other members of the opposition to make these unsubstantiated and utterly incorrect accusations of the government of interference with the ABC. The calibre of people on both the board and in management would not tolerate it or allow it. That was inherently contradictory in regard to the remarks by the member for Lowe because, on the one hand, he is prepared to accept, at least at face value, the assurances of the chief executive officer—

Mr Murphy—I rise on a point of order, Mr Deputy Speaker. I am being misrepresented here because I made it quite plain that there are faults on both sides.

Mr Deputy Speaker (Mr Mossfield)—The member for Lowe does not have a point of order. He will resume his seat.

Mr McGauran—I freely concede that the member for Lowe has conceded faults on both sides of the parliament in regard to the ABC, but he failed to substantiate his allegations of faults on our side. He accepts the strength and independence of Mr Shier and his capacity to resist political interference if it existed, but on the other hand he says that the coalition government interferes with the ABC. You cannot have it both ways.

Mr Murphy—Mr Deputy Speaker, I rise on a point of order. Once again I am being misrepresented. I have made it quite plain that both sides of this House have a lot to answer for in terms of political appointments to the ABC.

Mr Deputy Speaker (Mr Mossfield)—There is no point of order.
Mr McGauran—Thank you, Mr Deputy Speaker. I need your protection against the outrageous behaviour of the member for Lowe. We furthermore reject the opposition’s amendment to the second reading. Mostly it contains politicised attacks on the government regarding Radio Australia but, interestingly, amendments Nos 7 and 8 require that the Minister for Communications, Information Technology and the Arts, rather than the Minister for Foreign Affairs, be responsible for deciding whether an application for an international broadcasting licence is contrary to the national interest. That is what the honourable member for Kingsford-Smith, the shadow minister for foreign affairs, wishes to impose upon this legislation—that it be the minister for communications, and not the foreign minister, who makes the determination of whether a broadcast is contrary to the national interest. The government do not accept the second reading amendment, and especially not those parts of it.

We believe it is appropriate that the Minister for Foreign Affairs be responsible for making decisions on whether an application for a licence or an international broadcasting service is contrary to the national interest, given that the main issue will be the effect of a service on Australia’s international relations. It is not for the Minister for Communications, Information Technology and the Arts to decide whether it is contrary to the national interest; it is for the Minister for Foreign Affairs. Senator Alston, the current Minister for Communications, Information Technology and the Arts is the first to concede that it is his colleague the Minister for Foreign Affairs who needs to assume this responsibility.

Whilst I am on this point, I stress that the Minister for Foreign Affairs has indicated that the national interest assessment will refer primarily to the effect the broadcasting service is likely to have on Australia’s international relations. The test is a negative one, looking not at whether a proposed service would be likely to advance Australia’s national interest but whether it would be likely to be inimical to the national interest. It is not the intention that the minister regulate the content of international broadcast. Broadcasts that comply with the international broadcasting guidelines, to be developed by the Australian Broadcasting Authority, would be unlikely to lead to the view that they were contrary to Australia’s national interest. There are safeguards inherently built into the provisions. I commend the bill to the House.

Question put:
That the words proposed to be omitted (Mr Brereton’s amendment) stand part of the question.

The House divided. [9.07 p.m.]

(Mr Deputy Speaker—Mr F.W. Mossfield)

Ayes........... 75
Noes........... 56
Majority........ 19

AYES
Abbott, A.J.
Andrews, K.J.
Anthony, L.J.
Bailey, F.E.
Baird, B.G.
Barresi, P.A.
Bartlett, K.J.
Billson, B.F.
Bishop, B.K.
Bishop, J.I.
Brough, M.T.
Cadmans, A.G.
Cameron, R.A.
Causley, I.R.
Charles, R.E.
Costello, P.H.
Downer, A.J.G.
Elson, K.S.
Entsch, W.G.
Fahey, J.J.
Fischer, T.A.
Forrest, J.A *
Gallus, C.A.
Gambaro, T.
Gash, J.
Georgiou, P.
Haase, B.W.
Hardgrave, G.D.
Hawker, D.P.M.
Hockey, J.B.
Hull, K.E.
Jul, D.F.
Katter, R.C.
Kelly, D.M.
Kenny, D.A.
Lawler, A.J.
Lieberman, L.S.
Lindsay, P.J.
Lloyd, J.E.
Macfarlane, I.E.
May, M.A.
MacArthur, S *
McGauran, P.J.
Moylan, J. E.
Moore, J.C.
Nehl, G. B.
Nairn, G. R.
Neville, P.C.
Nelson, B.J.
Prosser, G.D.
Nugent, P.E.
Reith, P.K.
Pyne, C.
Ruddock, P.M.
Rushton, M.J.C.
Scott, B.C.
Schultz, A.
Slipper, P.N.
Secker, P.D.
Southcott, A.J.
Somilvay, A.M.
Stone, S.N.
St Clair, S.R.
Thomson, A.P.
Truss, W.E.
Tuckey, C.W.
Vaile, M.A.J.
Vale, D.S.
Wakelin, B.H.
Washer, M.J.
Williams, D.R.
Wooldridge, M.R.L.
Worth, P.M.
Question so 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)
by leave—I move government amendments (1) to (26):

(1) Schedule 1, item 22, page 8 (line 2), omit the heading to Division 1, substitute:

Division 1—Introduction

(2) Schedule 1, item 22, page 8 (after line 24), at the end of section 121F, add:

- The ABA may make declarations (nominated broadcaster declarations) that allow international broadcasting licences and related transmitter licences to be held by different persons, so long as the transmitter licence is held by an Australian company.
- If a nominated broadcaster declaration is in force:
  (a) the international broadcasting licence may be issued to a company that is not an Australian company; and
  (b) the holder of the transmitter licence must keep records of broadcasts for 90 days; and
  (c) the holder of the transmitter licence may receive notices on behalf of the holder of the international broadcasting licence.

(3) Schedule 1, item 22, page 8, after section 121F, insert:

121FAA Definitions

In this Part:

cOMPANY means a body corporate.

HOLDER, in relation to a nominated broadcaster declaration, means the person who applied for the declaration.

Nominated broadcaster declaration means a declaration under section 121FLC.

Transmitter licence has the same meaning as in the Radiocommunications Act 1992.

(4) Schedule 1, item 22, page 9 (line 5), at the end of subsection (1), add “if no nominated broadcaster declaration is in force in relation to that service”.

(5) Schedule 1, item 22, page 9 (after line 5), after subsection (1), insert:

1A If a person is the holder of a nominated broadcaster declaration in relation to an international broadcasting service proposed to be provided by another person (the content provider):

(a) the holder of the declaration may, on behalf of the content provider, apply to the ABA for a licence authorising the content provider to provide the international broadcasting service; and

(b) if an application is made under paragraph (a)—the content provider is taken to be the applicant for the licence.

1B An application under this section may only be made on the basis of one licence per service.

(6) Schedule 1, item 22, page 9 (line 6), omit “The application”, substitute “An application under this section”.

(7) Schedule 1, item 22, page 9 (line 13), after “applicant”, insert “under subsection 121FA(1)”.

(8) Schedule 1, item 22, page 9 (line 24), after “applicant”, insert “under subsection 121FA(1)”).

(9) Schedule 1, item 22, page 9 (line 27), omit “the applicant”, substitute “an applicant under subsection 121FA(1) for an international broadcasting licence”.

(10) Schedule 1, item 22, page 9 (after line 32), at the end of section 121FB, add:

(4) If an application for an international broadcasting licence is made under subsection 121FA(1), the ABA must make reasonable efforts to either:

(a) take action under subsection (1) of this section; or

(b) refuse to allocate the licence; within 30 days after the application was made.

(5) If the ABA:

(a) is satisfied that an applicant under subsection 121FA(1A) for an international broadcasting licence is a company; and

(b) does not decide that subsection 121FC(1) applies to the applicant; the ABA must:

(c) refer the application to the Minister for Foreign Affairs; and

(d) give the Minister for Foreign Affairs a report about whether the proposed international broadcasting service concerned complies with the international broadcasting guidelines.
(6) If the ABA:

(a) is not satisfied that an applicant under subsection 121FA(1A) for an international broadcasting licence is a company; or

(b) decides that subsection 121FC(1) applies to an applicant under subsection 121FA(1A) for an international broadcasting licence;

the ABA must refuse to allocate an international broadcasting licence to the applicant.

(7) If, under subsection (6), the ABA refuses to allocate an international broadcasting licence to an applicant, the ABA must give written notice of the refusal to:

(a) the applicant; and

(b) the holder of the nominated broadcaster declaration concerned.

(8) If an application for an international broadcasting licence is made under subsection 121FA(1A), the ABA must make reasonable efforts to either:

(a) take action under subsection (5) of this section; or

(b) refuse to allocate the licence;

within 30 days after the application was made.

(11) Schedule 1, item 22, page 10 (line 28), after “121FB(1)”, insert “or (5)”.

(12) Schedule 1, item 22, page 11 (line 5), after “121FB(1)”, insert “or (5)”.

(13) Schedule 1, item 22, page 11 (line 22), after “121FB(1)”, insert “or (5)”.

(14) Schedule 1, item 22, page 11 (line 27), after “121FB(1)”, insert “or (5)”.

(15) Schedule 1, item 22, page 12 (line 4), omit “direction to the applicant,”, substitute: direction to:

(a) in all cases—the applicant; and

(b) in the case of an application under subsection 121FA(1A)—the holder of the nominated broadcaster declaration concerned.

(16) Schedule 1, item 22, page 12 (after line 24), at the end of section 121FF, add:

(2) This section does not apply to an international broadcasting licence if a nominated broadcaster declaration is in force in relation to the international broadcasting service concerned.

Note: Corresponding conditions apply to nominated broadcaster declarations—see section 121FLE.

(17) Schedule 1, item 22, page 16 (after line 14), after Division 4, insert:

Division 4A—Nominated broadcaster declarations

121FLA Object of this Division

The main object of this Division is to provide for the making of declarations (nominated broadcaster declarations) that allow the following licences to be held by different persons:

(a) an international broadcasting licence that authorises the provision of an international broadcasting service;

(b) a transmitter licence for a radio-communications transmitter that is for use for transmitting the international broadcasting service.

121FLB Applications for nominated broadcaster declarations

If a person (the transmission provider):

(a) is the licensee of a transmitter licence for a transmitter that is used, or intended for use, for transmitting an international broadcasting service; or

(b) proposes to apply for a transmitter licence for a transmitter that is intended for use for transmitting an international broadcasting service;

the transmission provider may apply to the ABA for a nominated broadcaster declaration in relation to the provision of the international broadcasting service by a particular person (the content provider).

121FLC Making a nominated broadcaster declaration

(1) After considering the application, the ABA must declare in writing that the provision of the international broadcasting service by the content provider is nominated in relation to the transmitter licence or proposed transmitter licence, if the ABA is satisfied that:

(a) either:

(i) the content provider holds an international broadcasting licence that authorises the provision of the international broadcasting service; or
(ii) the content provider does not hold such a licence but, if the declaration were made, the transmission provider or another person will, within 60 days after the making of the declaration, apply under subsection 121FA(1A), on behalf of the content provider, for an international broadcasting licence that authorises the provision of the international broadcasting service by the content provider; and

(b) the transmission provider intends to transmit the international broadcasting service on behalf of the content provider; and

(c) the transmission provider is a company that is formed in Australia or in an external Territory; and

(d) if the declaration were made, the transmission provider would be in a position to comply with all of the obligations imposed on the transmission provider under section 121FLE.

(2) The ABA must give a copy of the declaration to:

(a) the transmission provider; and

(b) the content provider.

(3) If the ABA refuses to make a nominated broadcaster declaration, the ABA must give written notice of the refusal to:

(a) the transmission provider; and

(b) the content provider.

(4) If an application is made for a nominated broadcaster declaration, the ABA must make reasonable efforts to:

(a) make the declaration under subsection (1); or

(b) refuse to make the declaration; within 30 days after the application is made.

(5) This Part does not prevent the ABA from making more than one nominated broadcaster declaration in relation to a particular international broadcasting service, so long as each declaration relates to a different transmitter licence or proposed transmitter licence.

121FLD Effect of nominated broadcaster declaration

If:

(a) a nominated broadcaster declaration is in force in relation to an international broadcasting service; and

(b) the provision of the international broadcasting service is authorised by an international broadcasting licence; and

(c) the holder of the declaration is the licensee of a transmitter licence that authorises the operation of a transmitter for transmitting the international broadcasting service; and

(d) the licensee of the transmitter licence transmits the international broadcasting service on behalf of the licensee of the international broadcasting licence;

then:

(e) for the purposes of the Radiocommunications Act 1992, the licensee of the international broadcasting licence is taken not to operate the radiocommunications transmitter for any purpose in connection with that transmission; and

(f) for the purposes of this Act:

(i) the licensee of the international broadcasting licence is taken to provide the international broadcasting service; and

(ii) the licensee of the transmitter licence is taken not to provide the international broadcasting service; and

(g) for the purposes of this Act, any programs that are transmitted by the licensee of the transmitter licence on behalf of the licensee of the international broadcasting licence:

(i) are taken to be programs transmitted by the licensee of the international broadcasting licence; and

(ii) are not taken to be programs transmitted by the licensee of the transmitter licence; and

(h) for the purposes of this Part (other than section 121FLG), the ABA is taken to have given a written notice to the licensee of the international broadcasting licence if the ABA gives the notice to the licensee of the transmitter licence.
121FLE Conditions of nominated broadcaster declarations

(1) Each nominated broadcaster declaration is subject to the following conditions:

(a) the holder of the declaration must cause a record of programs broadcast on the international broadcasting service concerned to be made in a form approved in writing by the ABA;

(b) the holder of the declaration must retain in the holder’s custody a record so made for a period of 90 days after the broadcast;

(c) the holder of the declaration must, without charge, make available to the ABA, on request, any specified record made by the holder under paragraph (a) that has been retained by the holder (whether or not the holder is, at the time of the request, under an obligation to retain the record).

(2) Subsection (1) does not apply to a nominated broadcaster declaration unless the holder of the declaration is the licensee of a transmitter licence that authorises the operation of a transmitter for transmitting the international broadcasting service concerned.

121FLF Offence for breach of conditions of nominated broadcaster declaration

A person is guilty of an offence if:

(a) the person is the holder of a nominated broadcaster declaration; and

(b) the person intentionally breaches a condition of the declaration.

Penalty: 2,000 penalty units.

121FLG Revocation of nominated broadcaster declaration

(1) The ABA must, by writing, revoke a nominated broadcaster declaration relating to the provision of an international broadcasting service by a person (the content provider) if the ABA is satisfied that:

(a) at the time the declaration was made, there was no international broadcasting licence that authorised the provision of the international broadcasting service by the content provider; and

(b) either:

(i) no application was made under subsection 121FA(1A) for such a licence within 60 days after the making of the declaration; or

(ii) an application for such a licence was made under subsection 121FA(1A) within 60 days after the making of the declaration, but the application was refused.

(2) The ABA must, by writing, revoke a nominated broadcaster declaration relating to the provision of an international broadcasting service by a person (the content provider) if:

(a) the holder of the declaration; or

(b) the content provider; gives the ABA a written notice stating that the holder of the declaration, or the content provider, does not consent to the continued operation of the declaration.

(3) The ABA must, by writing, revoke a nominated broadcaster declaration relating to the provision of an international broadcasting service by a person (the content provider) if:

(a) the holder of the declaration; or

(b) the content provider; gives the ABA a written notice stating that the holder of the declaration, or the content provider, does not consent to the continued operation of the declaration.

(4) The ABA must give a copy of the revocation to:

(a) the person who held the declaration; and

(b) the content provider.

(5) A revocation under subsection (1), (2) or (3) takes effect on the date specified in the revocation.

(6) The ABA must not revoke a nominated broadcaster declaration under subsection (1) or (2) unless the ABA has first:
(a) given the holder of the declaration a written notice:
   (i) setting out a proposal to revoke the declaration; and
   (ii) inviting the holder of the declaration to make a submission to the ABA on the proposal; and
(b) given the content provider a written notice:
   (i) setting out a proposal to revoke the declaration; and
   (ii) inviting the content provider to make a submission to the ABA on the proposal; and
(c) considered any submission that was received under paragraph (a) or (b) within the time limit specified in the notice concerned.

7 A time limit specified in a notice under subsection (6) must run for at least 7 days.

8 A person must not enter into a contract or arrangement under which the person or another person is:
   (a) prevented from giving a notice under subsection (3); or
   (b) subject to any restriction in relation to the giving of a notice under subsection (3).

9 A contract or arrangement entered into in contravention of subsection (8) is void.

121FLH Cancellation of licence if declaration ceases to be in force and licensee is not an Australian company

1) If:
   (a) a nominated broadcaster declaration ceases to be in force; and
   (b) the provision of the international broadcasting service concerned is authorised by an international broadcasting licence; and
   (c) 30 days pass, and the ABA is satisfied that:
      (i) the international broadcasting licensee is not a company that is formed in Australia or in an external Territory; and
      (ii) the international broadcasting licensee has not taken reasonable steps to arrange for the international broadcasting service to be provided by a company that is formed in Australia or in an external Territory;

2) If:
   (a) a nominated broadcaster declaration ceases to be in force; and
   (b) the provision of the international broadcasting service concerned is authorised by an international broadcasting licence; and
   (c) 90 days pass, and the ABA is satisfied that the international broadcasting licensee is not a company that is formed in Australia or in an external Territory;

3) The ABA may, by written notice given to the licensee, determine that paragraph (2)(c) has effect, in relation to the licensee, as if a reference in that paragraph to 90 days were a reference to such greater number of days as is specified in the notice.

4) The ABA must not notify a greater number of days under subsection (3) unless it is satisfied that there are exceptional circumstances that warrant the greater number of days.

Notice of intention to cancel

5) If the ABA proposes to cancel a licence under subsection (1) or (2), the ABA must give to the licensee:
   (a) written notice of its intention; and
   (b) a reasonable opportunity to make representations to the ABA in relation to the proposed cancellation.

Cancellation to be notified to the ACA

6) If the ABA cancels a licence under subsection (1) or (2), the ABA must notify the cancellation to the ACA.

121FLJ Register of nominated broadcaster declarations

1) The ABA is to maintain a register in which the ABA includes particulars of all nominated broadcaster declarations currently in force.

2) The Register may be maintained by electronic means.

3) The Register is to be made available for inspection on the Internet.

(18) Schedule 1, item 22, page 17 (after line 6), at the end of section 121FP, add:
International broadcasting guidelines are disallowable instruments for the purposes of section 46A of the Acts Interpretation Act 1901.

Schedule 1, item 22, page 17 (after line 19), at the end of Part 8B, add:

**121FS Statements about decisions of the Minister for Foreign Affairs**

(1) If:

(a) the Minister for Foreign Affairs makes a decision under subsection 121FD(1) or 121FL(3) or (5); and

(b) a person is entitled to make an application to the Federal Court or the Federal Magistrates Court under section 5 of the Administrative Decisions (Judicial Review) Act 1977 in relation to the decision;

the person may, by written notice given to the Minister for Foreign Affairs, request the Minister for Foreign Affairs to give the person a written statement setting out the reasons for the decision.

(2) If a person makes a request under subsection (1) in relation to a decision, the Minister for Foreign Affairs must either:

(a) as soon as practicable, and in any event within 28 days, after receiving the request:

(i) prepare a written statement setting out the reasons for the decision; and

(ii) give the statement to the person; or

(b) both:

(i) as soon as practicable, and in any event within 28 days, after receiving the request, prepare a statement about the decision; and

(ii) cause a copy of the statement to be laid before each House of the Parliament within 15 sitting days of that House after the completion of the preparation of the statement.

Schedule 1, item 23, page 17, after the table row relating to cancellation of an international broadcasting licence, insert:

Refusal to make a nominated broadcaster declaration

Revocation of a nominated broadcaster declaration

Cancellation of an international broadcasting licence

Schedule 1, page 18 (after line 18), after item 28, insert:

**28A Section 5**

Insert:

*provisional international broadcasting certificate* means a provisional international broadcasting certificate issued under section 131AF.

Schedule 1, item 29, page 18 (after line 25), after subsection (3B), insert:

(3C) If:

(a) a provisional international broadcasting certificate is in force in relation to an application for a transmitter licence; and

(b) the application for the licence is made by the holder of the certificate; and

(c) the conditions set out in the certificate are satisfied;

the ACA must not refuse to issue the transmitter licence unless the ACA is satisfied that there are exceptional circumstances that warrant the refusal.

Schedule 1, page 19 (after line 26), after item 34, insert:

**34A At the end of Part 3.3**

Add:

Division 10—Provisional international broadcasting certificates

**131AE Applications for certificates**

(1) If a person proposes to make an application for a transmitter licence authorising operation of a radiocommunications transmitter for transmitting an international broadcasting service, the person may apply in writing to the
ACA for a provisional international broadcasting certificate in relation to the proposed application for the transmitter licence.

(2) An application under subsection (1) must be in a form approved by the ACA.

131AF  Issuing certificates

(1) After considering an application under section 131AE, the ACA may issue to the applicant a provisional international broadcasting certificate in relation to the proposed application for the transmitter licence.

(2) The certificate must state that, if the following conditions are satisfied:

(a) the applicant applies for the transmitter licence when the certificate is in force;

(b) at the time when the application for the transmitter licence is made:

(i) there is in force an international broadcasting licence that authorises the provision of the international broadcasting service concerned; and

(ii) spectrum is available for use for the provision of that service;

(c) such other conditions (if any) as are specified in the certificate;

the ACA will be disposed to issue the transmitter licence.

(3) In deciding whether to issue a provisional international broadcasting certificate, the ACA:

(a) must have regard to all of the matters to which it would be required to have regard when deciding whether to issue the transmitter licence concerned (other than the matter mentioned in subsection 100(3B)); and

(b) may have regard to:

(i) any other matters to which it would be permitted to have regard when deciding whether to issue the transmitter licence concerned; and

(ii) such other matters as the ACA considers relevant.

(4) If the ACA refuses to issue a provisional international broadcasting certificate to a person, the ACA must give written notice of the refusal to the person, together with a statement of its reasons.

131AG  Duration of certificates

(1) A provisional international broadcasting certificate comes into force on the day on which it was issued and remains in force for 240 days.

(2) If a provisional international broadcasting certificate expires, subsection (1) does not prevent the making of a fresh application for a new certificate.

(24) Schedule 1, page 19 (after line 28), after item 35, insert:

35A After paragraph 285(ma)
Insert:

(mb) refusal to issue a provisional international broadcasting certificate under section 131AF;

(25) Schedule 1, item 36, page 20 (line 21), after “121FB(3)”, insert “or (7)”.

(26) Schedule 1, item 36, page 20 (after line 27), after subitem (1), insert:

(1A) For the purposes of subitem (1), if an application for an international broadcasting licence is made on behalf of a person (the content provider) under subsection 121FA(1A) of the Broadcasting Services Act 1992, the content provider is taken to have made the application.

I table the supplementary explanatory memorandum.

Amendments agreed to.

Bill, as amended, agreed to.

Third Reading

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

ASSENT TO BILLS

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

Criminal Code Amendment (United Nations and Associated Personnel) Bill 2000

Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000

Commonwealth Electoral Amendment Bill (No. 1) 2000

Commonwealth Electoral Legislation (Provision of Information) Bill 2000
BILLS RETURNED FROM THE SENATE

The following bill was returned from the Senate without amendment or request:

Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999

WOOL SERVICES PRIVATISATION BILL 2000

Second Reading

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

That the bill be now read a second time.

Mr O’CONNOR (Corio) (9.18 p.m.)—

The Wool Services Privatisation Bill 2000 continues the ongoing process of internal structural change within one of Australia’s most important rural industries. The wool industry has been the subject of major reviews that have propelled it along a path that has seen the influence of government in the affairs of the industry gradually reduced over time.

This current initiative has its genesis in the landmark motion of no confidence in the board of the Australian Wool Research and Promotion Organisation, AWRAP, which was passed by wool growers on 30 November 1998. In response to that historic vote, the government established the Wool Industry Future Directions Task Force to inquire and report to it on future directions for the wool industry. That task force, chaired by Mr Ian McLachlan, produced a series of recommendations that have given impetus to the privatisation of AWRAP. The process that brought wool growers to that historic vote is, I think, well understood by producers in the industry. Persistently low prices for wool products, a veritable mountain of wool stockpiled in warehouses and on farms, a complex value adding chain not clearly understood by growers, and rapidly changing consumer tastes, confronted the industry, and particularly producers, with an enormous challenge. But it also generated huge frustration among producers, who watched as their product lost market share to competing fibres and substitutes in an increasingly sophisticated and discerning international marketplace.

Despite the hundreds of millions of dollars that had been poured from the public purse, and by the industry, into research and development and market promotion, the industry had not, in the view of growers, positioned itself well to cope with internal economic pressures on wool-producing enterprises and the changes occurring in the international marketplace with the collapse of certain traditional markets and the rise of new competition and fibres. Those pressures and frustrations gained expression in that historic vote in November 1998 and set in motion an evolutionary phase that has brought privatisation of certain commercial and R&D functions that up to this point had resided in the public domain.

Before debating the detail of this legislation, I acknowledge once again the special and very important economic place the wool industry occupies in Australian agriculture, in the economic history of the nation, and in the economy today. All members of this House appreciate the cultural and historic significance of the wool industry to Australia. Rather than trotting out some well-worn cliches about the contribution of the wool industry to our economic and cultural heritage, let me simply say that I am sure all members with an interest in agriculture want to see the industry restored to the economic fortunes and the pre-eminent position it has occupied in the past. The industry appreciates that, to achieve this, there is much work to do: in managing the constant change occurring to the industry’s unique production structure, in making wool-producing enterprises more responsive to changes in the industry’s marketing environment, in rationalising its complex value-adding chain, in meeting the quality demands of that chain and the increasingly sophisticated tastes of consumers, and, of course, in extracting more value from the industry’s research and development effort.

I will now turn to the consideration of the bill before the parliament. As stated previously, the impetus for the privatisation of AWRAP’s functions came from the McLachlan task force, established by the
government to consider future directions for
the industry following that historic vote of no
confidence in AWRAP taken by wool grow-
ers in November 1998. A special motion
passed at that meeting also required AWRAP
to prepare a plan to enable the complete
commercialisation of the operation of the
Woolmark Co., independent of statutory levy
support. It also recommended to the minister
that the wool levy be reduced from four per
cent to one per cent and directed away from
promotional activities into the R&D area.

In that motion lies the genesis of the sen-
timent later reflected in the McLachlan task
force recommendations that wool growers
needed to take more commercial responsi-
bility for the future of their industry. Their
acknowledgment of the importance of R&D
expenditure to their industry’s future back in
1998 echoed a proposition that Kim Beazley
and the Labor Party had already injected into
the public debate in this country much earlier
on a much broader front—that is, the propo-
sition that Australia’s economic future would
be severely compromised if the Howard
government did not change its policy settings
to encourage the maintenance and expansion
of both public and private R&D expenditure
in Australia. Sadly for this nation and for its
economic future, our calls were not heeded
by the government. Research and develop-
ment expenditure collapsed in this country,
and Australia now pays the price of the
negative perceptions of its new economic
base—sentiments reflected currently in the
low price of the Australian dollar.

Apart from its focus on research and de-
velopment in the industry, the McLachlan
task force recommendations also signalled
the need to privatise AWRAP and the Wool-
mark Co. The government in September
1999 announced its plan for the implemen-
tation of the task force recommendations,
which were endorsed by industry stakehold-
ers through the National Wool-
growers Forum. In a poll known as Wool
Poll 2000, conducted among wool growers
by the Wool Working Party, growers ex-
pressed their preference for the establishment
of a shareholder company, owned mainly by
wool growers and funded by a two per cent
levy, which would deliver research and de-
velopment to the industry with little expen-
diture for targeted retail and marketing ac-
tivities. The final structure agreed upon be-
tween the industry and government is the one
reflected in the legislation we are debating in
the parliament tonight.

The bill provides for the creation of a
Corporations Law company, Australian Wool
Services, with eligible wool growers as
shareholders. Very little of the structure and
operation for the new company is detailed in
this bill. This is very much a bare bones
piece of legislation. This parliament cannot
be sure exactly how the new enterprise will
operate or how it will be held accountable
for the expenditure of research and develop-
ment funding provided by the Common-
wealth until the government sees fit to pro-
vide us with copies of the draft regulations,
the constitution of the proposed body and the
deed of agreement. It is anticipated, but not
prescribed in this piece of legislation, that
Australian Wool Services will form two sub-
sidiary companies, R&D FundCo and Com-
mmercialCo, and that share registers would be
set up to reflect this particular division.

Class A shares would essentially go to
those who have paid a prescribed minimum
amount of wool tax or levy in the previous
three years and will be constantly updated
with new entrants to wool production being
issued shares and those who no longer pay
wool levy losing their shares. Class A share-
holders would control R&D FundCo and
those shares would not be tradeable. R&D
FundCo would commission research, man-
age the proceeds of the wool levy plus any
R&D funds provided by the Commonwealth,
and manage any intellectual property devel-
one as a result of the research that it will
commission. Class B shares would be issued
to those who have paid wool tax in the three
years prior to 30 June 2000 and, unlike Class
A shares, will be tradeable. Class B share-
holders would control CommercialCo, which
would manage and commercialise the intel-
lectual property associated with Woolmark
and its sub-brands.

The model which has been adopted by the
government and the wool industry and given
expression in this legislation is one which I
understand has emerged following extensive
consultations between industry representatives in the Wool Growers Advisory Group and the minister. According to the brief provided to the opposition and non-government parties, it enjoys wide industry support. Wool industry representatives have also indicated to me their broad support for the service model contained in this legislation.

While the opposition understands and appreciates the industry’s desire to pass this legislation as quickly as possible through the parliament, the opposition will not be supporting this bill at this stage of its passage through the parliament.

Mr McArthur interjecting—

Mr O’CONNOR—We have not taken this position lightly, and I would like to take some time in this debate to outline in some detail, especially to the member for Corangamite, who has joined us here in the chamber at this time, the opposition’s reasons for the position that we have taken. The service model contained in the legislation before the parliament today constitutes a radical shift in the way the wool industry will conduct its commercial and research and development functions in the future. It is fitting that this parliament subject this legislation to the closest scrutiny possible, as this represents the very last opportunity for not only wool growers but also the taxpayers of Australia, who will be major contributors to this privatised entity, to examine the commercial structures and the accountability arrangements that have been put in place by the government and the industry. It is the view of the opposition that this is very much a bare bones bill, and the government has not been as forthcoming as it should have been in providing the parliament with the necessary detail on the new arrangements governing the future operations of this new corporate entity.

I do note the strong desire expressed to me by wool industry representatives and individual wool growers to forge a new path independent of what they have seen in the past as government interference in their industry—an interference many of them believe has not been to the long-term benefit of the industry. I understand that sentiment and I hope the position that the opposition is taking in the House tonight is not misconstrued by the wool industry as a deliberate attempt to thwart or delay that process. I think I can be confident that the position we have taken tonight will be misrepresented by government members who are desperate to claw back some credibility in some of the rural and regional areas of this nation, but I am sure the goodwill that has been established by industry and the opposition over this period of great and momentous change within the industry’s structure and its commercial environment will be maintained as this matter is thoroughly debated in both houses of the parliament.

Let me say that this government has not exactly covered itself with glory in the way it has involved itself, since it came to office, in the affairs of the wool industry. I do not doubt the sincerity of the current minister and the genuine attempts I believe he has made to engage the industry in a meaningful dialogue that has brought us all to the position that we are in today. He has, unfortunately, had to deal with the incompetence of his predecessors. That incompetence, as far as this industry is concerned, has been quite monumental.

Mr McArthur interjecting—

Mr O’CONNOR—I am sure wool growers will recall—and government members like the member for Corangamite will wish to forget—the fiasco surrounding the halting of the wool stockpiles disposal, an issue that remains unresolved even as we debate the privatisation of AWREP in the chamber tonight. More recently, the minister has had to conduct his dialogue with the industry against the backdrop of the uncertain financial parameters that have occurred as a result of the unresolved Cape Wools liability issue.

From an accountability point of view, the structure being proposed charts new territory. I would have thought that the government would have been in a position, in presenting this bill, to provide the parliament and the opposition with the maximum detail on new arrangements that are being proposed. I believe that is the very least we could expect when around $20 million of taxpayers’ money will be expended by this new corporate entity. The simple fact is that this pro-
posed privatised entity will not be subject to the normal processes of parliamentary scrutiny. For example, there will be little capacity for the parliament to directly question those responsible for the expenditure of those public moneys through the estimates committee process of the Senate. The auditing functions of the Commonwealth, as I understand it, will only apply indirectly to this new privatised situation.

This parliament has to clearly understand that it is being required to continue a significant funding involvement in the wool industry on an ongoing basis and, at the same time, it is being required to surrender the historical means at its disposal to provide effective scrutiny of those expenditures. I would have thought that, with such an important change, the government would have bent over backwards to provide this parliament with all the necessary information to enable members and senators to satisfy themselves that the Commonwealth’s exit from the affairs of the industry are taking place on just terms for both the Commonwealth and wool growers.

For the public record, the opposition has not had an opportunity to view, even in draft form, the regulations that will govern its future involvement and relationship with the wool industry. It has not had the opportunity to view, even in draft form, the proposed constitution of the new corporate entity to which the Commonwealth will be asked to commit millions of dollars of taxpayers’ funds in the future. It has not had the opportunity either to examine the deed of arrangement between the Commonwealth and the industry in this matter. If the government argues that it is unable to provide that information to the opposition at this stage of considering the bill, it is a scathing indictment of its own administrative capacity as far as managing this rather significant transition is concerned.

Members would be aware that tomorrow the House will debate an important bill in relation to the horticultural industry. While it was like pulling teeth from a hen, the opposition has managed, at the eleventh hour, to obtain critical documents relating to the privatisation of statutory bodies that have been involved with those industries. The government, through the parliamentary secretary, at the eleventh hour, has provided the opposition and this parliament with copies of the memorandum of association between the industry and the government, the proposed constitution of the new corporate entity and the draft deed of agreement which sets out in detail the mechanism by which the new not-for-profit corporate entity will be held accountable for the public moneys that it spends. The opposition simply makes this point, and asks the question: if these documents are able to be supplied in relation to horticulture, even at the last minute—at the eleventh hour before we debate that particular bill in this chamber tomorrow—why has this information not been provided to the opposition and to the non-government parties, and indeed to the whole parliament, in the instance of the wool industry?

Let me now turn to a matter of great concern to the industry and to the opposition—the potential Cape Wools liability on the wool industry. It is important that I outline to this House and put on the public record significant matters relating to this issue so that all wool growers know the facts and are aware of the circumstances surrounding the Senate inquiry and understand fully the manner in which their new entity will be expected to deal with the potential financial liability arising out of this matter. It is very clear from the evidence presented to the Senate inquiry that, when funding models were put to the wool growers in Wool Poll 2000, the existence and the extent of the potential Cape Wools liability had not been disclosed to Australian wool growers. That was a very serious omission on the part of this government.

Mr McArthur—It was in the annual report.

Mr O’Connor—The honourable member for Corangamite shouts from the back bench that it was in the annual report. I suppose he forwarded the annual report to every wool grower in Australia with the particular section underlined for their benefit. I think not. It is not surprising that the government withheld that information from wool growers because its disclosure would have caused serious questions to be asked about
the procedures and arrangements in place to resolve the potential conflict on this matter between Cape Wools and the Australian industry, the actual extent of the financial liability and, perhaps more significantly, the role of the then minister for agriculture and now Minister for Transport and Regional Services and Deputy Prime Minister, John Anderson, in structuring those arrangements.

So deep were the industry’s concerns about the extent of this potential liability and the fact that wool growers had not been informed about it that the opposition was compelled to act and called on the Senate to examine the matter in the context of its consideration of this bill. Let me make it quite clear to the wool growers of Australia—and for the public record—that the opposition initiated the Senate inquiry in response to representations made by the industry and in response to concerns expressed by wool growers. The evidence presented at that inquiry makes for disturbing reading—a view shared not only by industry observers but also by coalition senators who were privy to the same public and in camera evidence that Labor Senators Forshaw and O’Brien and the Democrat Senator Woodley were privy to.

Let me say that I have great faith in the good sense and sound judgment of the two Labor senators who have considered this matter. They are held in very high esteem and are respected by agricultural industries in Australia. They are senators who have integrity and who guard the processes of the Senate and protect its good name jealously. They would not break the confidence of witnesses who have given evidence in camera; however, they have publicly indicated that they would have great difficulty in passing this legislation at this point in time.

I read with great interest the recent calls by industry representatives that this parliament should immediately pass this legislation, regardless of the outcome of the industry’s current conflict with Cape Wools on the matters raised in the Senate inquiry. Industry representatives need to keep in mind that it was not only the interests of this parliament but also the interests of wool growers that moved Labor to initiate that Senate inquiry. In fairness to those senators who produced the dissenting report—and I urge all wool growers to read that dissenting report—elements of the in camera evidence perhaps ought to be released, ought to be tabled on the floor of the Senate and in this parliament for members to consider fully all aspects of this bill so that we can expedite its passage. Australian wool growers need all the facts about the assets they will receive, the debts they will inherit and the costs they will have to meet before legislation to privatise AWRAP is approved by this parliament. This parliament is also entitled to see all the details proposed by this privatisation process.

This bill has been the subject of an investigation by the Senate Rural and Regional Affairs and Transport Legislation Committee. That committee has reported and Senators Forshaw, O’Brien and Woodley have recommended to the Senate that this legislation not proceed until the parliament has considered all the material necessary to allow the AWRAP privatisation process to progress. That material includes the updated accounts for AWRAP, reports and correspondence relating to the Cape Wools liability, the regulations relating to the future relationship between the government and the industry, the company’s constitution and the proposed deed of agreement between the Commonwealth of Australia and the new company R&D FundCo. The senators said they were being asked to approve the privatisation of AWRAP without seeing the detail of how the new arrangement would operate. They said they needed the whole picture before a proper assessment of the new privatised arrangements could be made. That is a position that I think should be shared by all members of this House. This information has been promised to the Senate committee, but it has not yet been provided. The legal position of the Commonwealth in relation to the Cape Wools liability must be clarified. I am advised that Senators Forshaw, O’Brien and Woodley have also written to the Wool Growers Advisory Group seeking approval for publication of evidence given in camera by industry leaders to the Senate committee inquiring into the legislation.

The request for approval to release the confidential transcripts is in direct response
to a media release from the Wool Growers Advisory Group claiming that any delay in
the passage of this legislation was against the interests of wool growers. The senators have
said, and I think correctly, that they were and
are entitled to rely on evidence from wool
industry leaders in determining their views
on the possible form of the legislation and
the timing of its progress through the Senate.
They have stated in their report on the Wool
Services Privatisation Bill 2000 that it re-
flects both the public and the in camera evi-
dence to that committee.

The senators have said the privatisation of
AWRAP has strong support within the par-
liament, but the exit of government involve-
ment in the wool industry has to take place
on just terms for both the Commonwealth
and wool growers. I do not think there would
be a wool grower in Australia listening to
this debate tonight who would not agree with
the proposition that has been put by the
senators who delivered that minority report.
Indeed, if you read the evidence of the Sen-
ate committee, and you read the comments
of the coalition senators who also were privy
to the in camera evidence and the public evi-
dence, you glean that there are significant
matters that ought to be on the public record
at this time. I challenge wool industry lead-
ers who have gone into the public arena re-
questing that the opposition pass this bill
immediately to consider very strongly and
very deeply the issue of the release of the
evidence that they gave in camera to that
Senate committee. If they were to give that
approval to the Senate, I am sure this matter
could be expedited through the processes of
this parliament.

I note also that many government senators
have gone on the public record as saying that
any delay in the passage of this legislation
will halt the momentum towards much
needed reform in this industry. The govern-
ment knows, as I know, that there is great
difficulty in determining the share registers
and in verifying the share registers and that
that task may not be completed according to
the government’s time line. If it is not com-
pleted, the minister will be in a position to
proclaim as he sees fit the commencement
date for this legislation. We do not buy that
argument and we certainly put on the public
record tonight in the debate on this very im-
portant bill for the wool industry our deter-
mination to see wool growers of this nation
in command of all the facts—all the facts—
before this privatisation proceeds. I am sure
that when those facts are known we can
reach an agreement with the government for
an effective passage of this bill through the
parliament. (Time expired)

Mr SECKER (Barker) (9.48 p.m.)—It is
with great pleasure that I speak to the Wool
Services Privatisation Bill 2000. I would like
to let members know of my own history as a
wool producer. I am a stud breeder of cor-
rriedale sheep. I also grow merino wool and
some comeback wool. We are shearing at
home today and have been for the last few
days. I was brought up in the wool industry
and I think I have something to add to this
debate because of my own experience in the
industry and also the fact that my predeces-
sor, the Hon. Ian McLachlan, was the person
appointed to do the report on the wool in-
dustry. I think it is pretty well known that
this government has basically accepted most
of those recommendations.

The wool industry is a very important part
of the Barker electorate. It produces about a
third of South Australia’s wool—in fact, a
little over that. As a result, many of my
farmers have been taking a very keen interest
in what the government is doing about the
wool industry. I am part of the government
wool committee, which is ably chaired by
my neighbour the member for Wannon. In
my travels, I speak to many wool growers,
and they often ring me up because they are
showing an interest in this bill and the direc-
tion of the wool industry. But can I say that,
almost without reservation, they support the
measures of this government to hand the re-
ponsibility and power back to them to run
their own industry. I have not seen such uni-
son in the wool industry in the past 10 years.
Obviously they think we are doing the right thing as well.

Unfortunately, on listening to the member for Corio, it is obvious that he has not learnt this or listened to the wool growers, for he continues to see a role for government intervention. The member for Corio, in fact, accused the government of not giving enough information. But he has two arms, two legs, two ears, one mouth, like I have, and I have had no problem finding out how the set-up of the wool industry will work. Unfortunately, he still does not seem to understand that this is about the wool industry making decisions for themselves, not about the government making the decisions.

At least the member for Corio has taken the opportunity to speak on this bill. It just goes to show. He is the only Labor member in this chamber to do so. He has probably been forced to do that only because he is the shadow minister. It was probably no more than a token effort. This just proves that Labor only gives lip-service to country people, and most of them could not be bothered.

The Wool Services Privatisation Bill 2000 will establish Corporations Law company arrangements to replace the Australian Wool Research and Promotion Organisation, commonly known as AWREP. What it will do is change the delivery of the wool industry services. The new, privatised arrangements are the culmination of an extensive process to identify the most appropriate structures to replace AWREP. On 8 August this year, the government announced the details of the new arrangements whereby AWREP would be converted from a statutory corporation into a Corporations Law company limited by shares. This is referred to as HoldCo in the bill but it is expected to be called Australian Wool Services Ltd. Shares in the company will be issued to Australian wool taxpayers.

The government announced that the company will have two main subsidiaries. One subsidiary, nominally called CommercialCo, will be responsible for commercial activities including the commercial development of the Woolmark and its sub-brands and their intellectual property. The other subsidiary, nominally called R&D FundCo, will manage the proceeds from the wool tax and outsource research and development and the management of future intellectual property. The establishment of the two subsidiaries will provide greater transparency and accountability in the expenditure of funds as well as maximising the commercial potential of assets. Unfortunately, with the operation as it was, I think it was generally perceived by wool growers that there was a lot of money wasted. There were not proper business programs put in place, and as a result many of the wool growers in Australia were quite unhappy about what was happening with AWREP. These arrangements have received wide support from the peak wool industry bodies. A voluntary dual class register of eligible shareholders is also under development with an information kit detailing the shareholding arrangements expected to be released to wool growers in October 2000. The dual class register will facilitate the hiving off of the two subsidiaries as independent companies if this is the decision taken by the HoldCo board. I have received that myself as a wool grower, so I can vouch for that happening.

The bill provides for specific taxation treatment to apply during the transfer to the new arrangements, which have been agreed with the Treasurer. These taxation reliefs include exemptions from stamp duty, assessable income, and exemptions from capital gains tax for a range of matters including transfer of assets, liabilities and contracts, and the issue of shares to wool growers. The bill also provides for a new wool levy or charge to be imposed by regulations made under the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs) Charges Act 1999 to be collected by the levies and revenue service of Agriculture, Fisheries and Forestry Australia, AFFA. The wool levy would replace the current wool tax imposed under the various wool tax acts, which is collected by the Australian Taxation Office. The new collection arrangements are expected to facilitate the developments of the share register of levy payers for the new
company arrangements. The new wool levy would continue at the current rate of wool tax—that is, three per cent—until the wool growers vote otherwise.

There is a very important background to this whole bill. Following the 1993 report of the Wool Industry Review Committee, commonly known as the Garnaut report, two new wool statutory bodies, Wool International and AWRAP, were established. AWRAP was given responsibility for the promotion of wool and wool products and R&D, whereas Wool International was charged with the disposal of the stockpile and discharge of the related debt, and was converted into a Corporations Law company, Woolstock Australia, on 1 July 1999, with wool growers as its shareholders and controllers. AWRAP received the majority of its funding from wool taxes imposed on growers, and this was supplemented mainly by the government’s matching contribution for R&D and the Woolmark licence fees. Wool growers have faced very difficult times since the 1990s, with low prices and poor demand exacerbated by the Asian economic crisis in 1998. The vote of no confidence in the AWRAP board in November 1998 was an expression of wool grower dissatisfaction and frustration with the depressed market circumstances, low profitability and in many cases losses, and the apparent inability of AWRAP and the Woolmark Co. to counter these problems. In response to this, the government appointed the wool industry Future Directions Taskforce in December 1998, chaired by the Hon. Ian McLachlan, to help set future directions for the industry. The majority of the task force recommendations in a report released in July 1999 focused on the need for growers to take responsibility for their businesses and their wool. The recommendation for the government related to reforming industry structures and wool tax arrangements.

The Wool Working Party was established by the Minister for Agriculture, Fisheries and Forestry in October 1999 to conduct Wool Poll 2000, which was a voluntary wool grower ballot held in March this year to give wool growers the opportunity to have their say on the future services they required from AWRAP’s successor and, more importantly, the rate of wool tax they were prepared to invest in those services. The results of Wool Poll showed a clear preference for a two per cent wool tax rate to be invested in research and development, technology transfer and delivery including post-farm innovation, and some information services. On 1 July 2000, the wool tax rate was lowered from four per cent to an interim rate of three per cent to cover the cost of transition to the new arrangements. The wool tax rate will be further lowered to two per cent as soon as practicable after the transition costs are met.

Following Wool Poll 2000, a scoping study to identify the most appropriate Corporations Law structure to replace AWRAP was undertaken by the Office of Asset Sales and Information Technology Outsourcing and AFFA, in conjunction with a government appointed industry advisory board chaired by Mr Rodney Price and the Wool Growers Advisory Group, WAG, which is chaired by Mr David Webster. The scoping study identified a number of potential viable structures against a number of key objectives, these being ownership and control by wool tax payers, minimal government involvement, contestability and transparency in expenditure of wool tax funds, being commercially disciplined, an efficient commercial and legal structure, and flexibility to accommodate evolution of the organisation. The preferred structure identified in the scoping structure was endorsed by the IAB and WAG and supported by other industry bodies, and was subsequently agreed to by the government on 8 August 2000. The new arrangements provided flexibility for the new board to consider the demerger of HoldCo within 12 to 24 months, leaving the two subsidiaries as stand-alone commercial companies directly owned by wool growers as shareholders.

There are many key elements to this bill. It provides that AWRAP be privatised into a Corporations Law company, with two subsidiaries, at a date to be proclaimed. Commonwealth income tax, state and territory stamp duty and other taxes do not arise in relation to certain steps, which are required to be certified by the Minister for Agriculture, Fisheries and Forestry, to be taken as
part of the AWRAP privatisation. The minister may transfer assets, contracts and liabilities within AWRAP and/or its subsidiaries prior to conversion to the new arrangements without raising new taxation liabilities. The minister must have prepared a list of eligible wool growers to whom shares in HoldCo will be issued and must be satisfied that it has been prepared in accordance with regulations currently being developed. There will be a six-month period in which shareholdings will be adjusted, where appropriate, to ensure accuracy. Shares issued to wool growers will have a nil cost base for capital gains tax purposes. The Commonwealth will enter into a contract with the company in relation to Commonwealth payments, which provides for accountability for the Commonwealth, as it should, in relation to the expenditure of those payments. The current wool tax will be replaced by the imposition of a wool levy or charge on transactions upon which wool tax was formerly imposed. The rate of wool levy will be determined by a three-yearly poll of wool growers, and AFFA will collect levy payments and levy pay information through the LRS by amendment to the Primary Industries Levies and Charges Collection Act 1991. This information on levy payments will be utilised for levy ballot purposes and for the maintenance of a comprehensive share register by the new company.

The consultation process has been extensive. The Wool Industry Future Directions Task Force consulted widely with the industry. It held meetings across Australia, visiting most capital cities and several major regional wool centres. It also undertook a program of consultation with overseas customers and processors, which was very important because it is no use producing an article unless those customers and processors are getting what they demand. The Wool Working Party, which included three wool grower representatives, consulted widely with industry across major regional centres, explaining Wool Poll 2000. This was supported by an extensive publicity campaign to encourage grower participation. These efforts resulted in more than 22,000 voting papers being lodged, representing a majority of the Australian wool clip and surpassing the turnout for the most recent wool tax ballot undertaken by AWRAP in 1997, which received approximately 18,000 votes. So there has been a huge response from the wool industry and a very much unified one.

Following Wool Poll 2000 the WAG was established to act as a conduit between government and industry during the scoping study phase. Its members included National Woolgrowers Forum delegates and two independent wool growers. Their participation in the development of the preferred model to replace AWRAP ensures that the new arrangements reflect the requirements of wool growers. During the scoping study phase, a number of consultative meetings were held at which industry groups were present, including the zone advisory committees of AWRAP. Wide industry support for the preferred model has been established beyond doubt. In the development of the new arrangements and the bill, the views of all interested agencies were sought, including the Department of the Prime Minister and Cabinet, Treasury, the Australian Taxation Office, the Office of Legislative Drafting, the Office of Regulatory Review, the Attorney-General’s Department, the National Archives, MINCO, the Department of Employment, Workplace Relations and Small Business and the Department of Transport and Regional Services. So you can see that the government has been comprehensive in the attitude it has taken to the changes that it is bringing in for the wool industry.

The reforms are in response to wool grower calls for changes to the structural arrangements funded through their collective wool tax. There may be some industry criticism of the time taken to effect change since the 1998 Goulburn vote and the time allowed for industry consultation over the last 12 months. But, given the diversity of views within the wool industry, it is likely that any decision by the government will attract criticism from some quarters. The high level of support for the proposed structure indicates that the time taken was absolutely justified. There has been some industry concern about the need for the industry to pay for the cost of transition through the imposition of the three per cent interim wool tax rate. How-
ever, government practice in these change processes is for the industry which benefits from the reform to pay for the process rather than the taxpayers generally. This has been the case in the reforms of the Australian Wheat Board, the red meat industry and, most recently, Wool International.

There has been extensive debate on the issue of the nil cost based consideration for shares under the new arrangements. The IAB and the WAG remain opposed to the government’s denial of a non-zero capital gains tax base for wool grower shares in the new company. However, the initial grant of shares will not attract a tax liability and, given that wool tax payments were an allowable deduction at the time they were made, the tax-free allocation represents quite a concession. There may be some industry criticism if the new arrangements are not established by the 1 January 2001 target date due to the finalisation of a comprehensive due diligence process or delays in establishing the share register. I think the biggest problem they will face will be establishing that share register because many farmers are notorious for not filling in those sorts of forms until they have to at the last minute—and that includes me.

Whilst it might be possible to develop a list on a voluntary registration basis, as proposed by industry, this is a major logistical exercise and provides a key risk to meeting the target date. A human resources management strategy will ensure that employees of AWRAP will continue under the new organisation and under their existing contractual conditions. As these expire, future employment will be subject to normal contract renegotiation with the management of the new companies. So it is with great pleasure that I support this bill. I think it is heading in the right direction. There is no doubt that the industry wants to take over control and responsibility for its decisions, and that is exactly what this government is delivering to the wool grower.

Mr McArthur (Corangamite) (10:08 p.m.)—It is with some delight that I participate in this debate on the Wool Services Privatisation Bill 2000. Hopefully this might be the last debate that we have in the House of Representatives on the wool industry. I particularly note the presence in the chamber of the Minister for Agriculture, Fisheries and Forestry, who guided this bill through a lot of difficulties, with wool industry debates and arguments. I note that the shadow minister is not in the chamber. He has made very strong statements that the bare bones of the bill were not available to the opposition. I do not accept that as a proposition. This matter has been around for a long while and has been debated by industry personnel, by the minister himself and by a number of committees. After all the debate, there is a surprising amount of unanimity, which is unusual in the wool industry, about the process and the way in which we might come to a final conclusion to move the wool industry away from government control and let it guide its own fortunes.

The shadow minister makes some wild accusations about Cape Wools South Africa. He was quite pleased with himself for having raised the matter in parliament. That was a matter for commercial consideration. It was mentioned in their annual report and it was a matter that the minister at the table thought he could negotiate in a commercial way to get a genuine outcome. I note that the shadow minister says what a shame it is that the wool industry will no longer be under government scrutiny. This is what this bill is all about. The government at long last, after a hundred years, will be out of the wool industry. I am surprised and disappointed that, as I heard the shadow minister, he was suggesting that the opposition would in fact vote against the bill. Minister at the table, can you believe that? I think I heard him say that.

Mr Truss—It is absolutely staggering.

Mr McARTHUR—I think the member for Corio should go back to Alvie and his onion growing. He is much better suited to that. He understands that, whereas he knows very little about the wool growing industry. But he is the only member of the opposition prepared to speak on the bill and at least we ought to commend him for that.

This is really a watershed piece of legislation, although not so much for its content. It marks the end of an era in which governments, both of the conservative side and of the Labor side, have been involved in wool
politics. I hope this will be the last piece of legislation that governments will be involved in. It moves the industry back into the hands of the growers, the processors and those who are keen to participate in the industry for a commercial gain. If you look at the background of the industry, you see that they have been through boom and bust times. Every time they went through the booms they complained about the level of taxation. That was in the 1950s. Then they had a bust during the war. They had the JO scheme and then they had the reserve price scheme, introduced in 1971 by the Gorton government and completed by the Labor government, as I remind the shadow minister, so government was always involved in the fluctuations of the wool industry.

As for the reserve price scheme under Minister Kerin, I remind the shadow minister that Minister Kerin was the minister who supported the reserve price scheme and said that there was no way that the government would not support the 870c per kilogram price. Inevitably, that went bust; so, in the long-term trend, the reserve price plan really had no chance of success. Yet it was the other side of the parliament that supported it. I did have some sympathy, because of the politics of the time, for the arguments that were raging so strongly on the reserve price scheme.

The wool task force headed by Ian McLachlan, who is well known to both sides of the parliament, was the origin of the current legislation before the parliament. I just want to put on the record that its report— and we have the smaller version and the full report here— was one of the best reports that I have dealt with in the wool industry. It is interesting to note that since 1962 there have been 31 reports, but this stands as a preeminent report and makes some strong recommendations. Whilst they were not fully followed by the government, the philosophy and attitude that the chairman and the committee portrayed to Australian wool growers was full of good sense. I particularly pay tribute to Mr David Trebeck of ACIL— I can see his particular background work in the words and detail of the report. This report was the foundation for the quite dramatic change of attitude that has now taken place in the wool industry culminating in the legislation.

I would just like to quote some comments from the report. The first is:

The task force determined that it should describe the situation as it saw it—no gilding of the lillies and fudging of the hard issues.

So we had a situation where the McLachlan committee had a look at the wool industry here in Australia and overseas and at the wool pipeline and was going to really address the problems as it found them. As we have so often seen with Sir William Gunn and the reserve price argument, there were leaders of the industry who thought they had the answer: if only you put up a reserve price scheme or something similar, the wool industry problem would be solved. This quote of the committee is interesting:

... be wary of charismatic Messiahs leading the industry purposefully out of its wilderness with an overwhelmingly firm hand.

We did see that. Even Minister Kerin had some of those characteristics. One of the interesting thrusts of this report is seen in this quote:

The mind-set must change from ‘they or them’ to ‘I/me or ‘we/us’.

The report is saying that no longer can the wool growers rely on the government to support them in making the changes that so often are required by commercial industry to bring about innovation and change. This report was the catalyst for the legislation that the minister has brought to the parliament. The legislation is of a technical nature, but it is also symbolic of the fact that research and development has progressed over the years and has been a focal point of argument amongst wool growers as to the role of wool, as against the synthetic fibre industry, and its percentage of the market. As they say in the smaller version of the report:

There are no magic puddings and there are no messiahs.

That is an interesting quote, because I think all too often industry leaders have said, ‘If only we could have a reserve price scheme, if only we could have more research, if only we could have generic advertising— then the
wool industry problems would be solved.’
This report really was the beginning of the legislation, and in my view it shows a cultural and attitudinal change that has taken place amongst wool growers. At long last in this parliament we have some legislation on this issue and we have the wool growing fraternity agreeing that they will be in charge of research and development and promotion. They will be doing most of the paying, and they will be some of the shareholders that will be finally responsible. There will be no politics, either of the opposition or the government.

The McLachlan report has demonstrated this change—a report which I think has been supported, surprisingly enough, by a big range of wool growers, despite all the arguments of the last 20 years. The cultural change that is talked about in the report includes the beliefs that the diversity of the wool industry should be celebrated, not considered to be something different or something that is not to be supported, and that the future of wool success depends upon innovation. This legislation allows the wool industry to pay for their research and promotion and to make some critical judgments which are distanced from politics on the outcome of that. As I said before, the wool industry, for the first time in a hundred years, are saying that they will move away from reserve price schemes, that they will be totally responsible for their own outcomes and that they will not come running to government.

As the report quite rightly says, the wool industry is cyclical in nature. We are all aware of that. Whilst they are now enjoying better times because of the improvement in prices, tomorrow may provide a different situation. With regard to their attitude to natural fibres, wool growers in Australia have presumed that the world would always buy wool. We know that the commercial reality is that the world does not always want to buy Australian wool, because there are other fibres competing at a price and quality that will ensure that Australian wool will sometimes be on the stockpile. As I have said, the task force spoke quite categorically against the reserve price scheme that fell over in 1991, and I hope that members of this parliament will never introduce a reserve price scheme in the wool industry in my lifetime. They looked at the profitability of the wool growers. The comments of some of the wool growers were that a lot of them were unprofitable, but they drew attention to the fact that the top 20 per cent of wool growing enterprises, even at lower prices, were profitable and were doing well. They moved on to the research and development aspect that wool growers have had some concern about. They identified an amazing figure that over the years governments and wool growers have contributed $12.6 billion to research and development, yet the place of wool in the fibre market is not fully established. It could be challenged in terms of the fact that there has been all that promotion and all that research and development yet we do not have a clear picture that wool has a very good and sound future. I commend the report, both for the sentiment of it and for its recommendations, which provide the basis of the current legislation.

I now move to the legislation, which in many ways is the culmination of months of argument and debate—some of it acrimonious—amongst wool growers in order to come to a final conclusion. My personal view is that the wool growers had rather a warped view that the salvation of the wool industry would be involved in research and development and promotion. They did not see the cyclical nature of the industry or that the wool industry would inevitably—or hopefully—recover after the Asian crisis and that, once the world economies improved, a demand would return for that fibre. So we had these arguments about two per cent and four per cent levies on wool growers to improve research and development and promotion. They did not see the cyclical nature of the industry or that the wool industry would inevitably—or hopefully—recover after the Asian crisis and that, once the world economies improved, a demand would return for that fibre. So we had these arguments about two per cent and four per cent levies on wool growers to improve research and development and promotion. Let us go back to the famous meeting in Goulburn in 1998 that a number of us were aware of—Mr Deputy Speaker Nehl, you would remember that as you are from New South Wales. The wool growers turned up in droves, and they voted very strongly against the AWRAK board. I do not think it was a matter of a technical nature; it was a matter of the spirit of the time. The wool growers felt that if they had had more research and better promotion of their product they might
have got a better place in the marketplace. I am not sure if that is the fact of the matter but that was the sentiment, and certainly that pervaded the industry at that time, having suffered the horrendous losses and the impact on the industry that the collapse of the reserve price brought about.

The wool task force brought up some recommendations, and the minister at the table, Mr Truss, considered them very carefully. I commend him for the way in which he consulted the backbench—members like me—and listened to our point of view as to how we might proceed in a sensible way. He also talked to leading members of the industry and made a value judgment on the way in which to proceed to keep all parties ‘inside the tent’ so that we might get a genuine outcome. He then had a wool poll in October 1999. There was a lot of discussion about that, and wool growers were polled as to whether they wanted four per cent, three per cent, two per cent or no levy at all. I think there was a genuine understanding amongst wool growers that they did need some research and some promotion; and the final outcome, as we are all aware, was two per cent and that inevitably they could be in control of their own environment.

The minister at the table, the Minister for Agriculture, Fisheries and Forestry, then went ahead to form two corporations under the Corporations Law to replace AWRAP. Then there was the appointment of Mr Rodney Price, a well-known wool grower with a commercial background. Again, I commend the minister who was under a lot of pressure at the time to find a suitable person who had to be Christ-like in his attributes. Not only did he have to have a wool growing background but also he had to be compatible with all groups, have commercial experience and he had to want the job. They were very difficult attributes. I commend the minister for appointing Mr Rodney Price, who had a commercial background, who had a large wool growing enterprise of his own and who had participated in the Ross Garnaut committee in 1993. All reports that I receive—and I think that the minister receives—state that Mr Price is doing a very good job. He is bringing the warring factions—almost like the Labor Party—together and they are now participating in the industry to try to get a genuine outcome.

I think the legislation before the House is very well thought through. It brings the ownership of the research and development operations under the control of wool taxpayers so that, if they pay the levy, they can control the outcome. That was not always the case historically. There will be minimal government involvement. I noticed the shadow minister talked a lot about the Senate committee saying that it was a great pity that the government did not undertake further scrutiny. That is the very thing that the minister at the table and I are very strong about: we want the wool industry to go out on their own, away from government scrutiny, and run their own business in a commercial sense. There will be contestability and transparency of expenditure of the wool funds. Again, that is a very big argument among wool growers: where did their R&D funds go; where were their promotion funds going; were they lost on promotions in Paris, London or Sydney? At last long, that will be contested at the annual meeting and wool growers will be able to go along and challenge management as to how they are spending the money.

It will be under commercial discipline. Again, that is a new concept introduced to R&D and promotion among the wool industry. That has not always been the case. There will be a commercial legal structure comparable with other companies. The other important thing is that the minister has allowed the structure to evolve over a couple of years. As the shadow minister was complaining, he has allowed some flexibility and allowed members to move along and identify themselves as shareholders. The perennial difficulty of wool growers is whether they are going to be shareholders and can they identify themselves. I commend the minister, the advisory group and the interim board for developing the document entitled WoolShare: Register now for your share in Australian Wool Services Limited. They have gone to a lot of effort to produce this document, to get it to wool growers who potentially might have been shareholders, who
have paid their levies under different names so that they could become a shareholder, having paid the levy over the last three years. Then it sets out clearly what the shareholders would be looking forward to doing. AWRAP would move into two different companies by 1 January 2001 and by 1 January 2003 and the levy would be paid to Australian Wool Innovation Ltd and the Woolmark Co., two different companies but contestable and with a commercial background.

The fundamental thing that this legislation brings to this parliament is a historic change in attitude and perspective to the wool industry. So many times in this parliament have I debated this wool industry—on reserve price schemes, on the arguments up and down—and here we have a final piece of legislation which says to the wool growing fraternity, ‘At long last, you are in charge of your own birthright, you are in charge of your own commercial activity and you are in change of your own innovation. Please go out and innovate and compete with the world. Please compete with other fibres in a commercial sense.’ If the top 20 per cent of wool growers can do it better and compete with the world, so be it. If the remaining wool growers wish to leave the industry, that would be their choice without government interference.

It is with great enthusiasm that I commend this legislation to the parliament. It is landmark legislation because of the philosophic thrust behind it rather than the technical nature of the legislation. I hope that the shadow minister opposite and the Senate will support it with enthusiasm because it marks a dramatic change in the wool industry. In my view, it would lay the foundation for a future and very prosperous wool industry because research and development in the 21st century will be full of people who have a future in the industry. (Time expired)

Mr HAWKER (Wannon) (10.28 p.m.)—In the brief time I have available, I would like to join with my colleagues, the members for Barker and Corangamite, in supporting the Wool Services Privatisation Bill 2000 and commending Minister Truss for the excellent job he has done for the industry. Having said that, as a fourth generation wool grower, I am very proud to stand here and am very proud to stand here and support this legislation, but I am absolutely appalled by the behaviour of the Australian Labor Party and the shadow minister, the member for Corio, in demonstrating yet again that the Labor Party have been the people who have contributed so much to the problems that the wool industry and wool growers currently face. The member for Corio’s performance in this debate tonight is ample evidence that, yet again, the Labor Party do not understand the future for wool growing and are prepared to come into this chamber and play politics instead of trying to support this excellent legislation that the minister has brought forward.

In the time that I will have available when this debate continues, I am going to demonstrate in more detail just how the Labor Party have been so instrumental in the demise of the prospects of so many wool growers. I think back to the 1987 amendments to the Wool Marketing Act and the appalling mistake that the then minister, John Kerin, made and to the damage that was done, which has taken a decade to work its way through. Yet the Labor Party seem to have no shame. They come into this place and say, ‘We are yet again going to frustrate the future for the wool industry.’ They have learnt nothing and it seems that they are going to go on in that fashion.

Debate interrupted.

ADJOURNMENT

Mr SPEAKER—Order! It being 10.30 p.m., I propose the question:

That the House do now adjourn.

Economy: Australian Dollar

Mr COX (Kingston) (10.30 p.m.)—The Australian Financial Review carried an interview with the Treasurer this morning. The questions went to some substantial issues, including exchange rates. The Treasurer’s answers contained hype and evasion but little substance. The Treasurer said:

I have a policy of never commenting on the level of the Australian dollar. For him to do so would be difficult as it would involve his admitting there is a serious problem. Australia’s international accounts reveal a picture that is far from reassuring
about his economic management. The US-Australian dollar exchange rate has been below 60c for much of this year. The Treasurer may recall that it was also below 60c for a period during 1998. The only other time it has recorded a period below 60c was during the currency crisis of 1986. Peter Walsh wrote in his autobiography:

Finally it bottomed at 57.2 US cents and only then because the Reserve Bank intervened heavily.

That was on the morning of Monday, 28 July 1986. The difference between then and now is that in 1986 the government recognised that a dollar below 60c required a policy response. The public recognition that the government gave the problem then contributed to the fall, but it also provided the basis for public acceptance of policy action.

Transparency is essential in managing an open economy. It requires frankness about the state of the economy and the appropriate stance of monetary and fiscal policy. If the government wants a positive market response to a policy adjustment, the signals must be clear. If policy makers hide or dissemble about major problems, they cannot expect the public or markets to understand or support their policy actions. If they camouflage those actions because they fear that frankness would be an admission that there are problems, they cannot expect the market to respond to their policy changes as directly as would be the case with a clear set of signals. If policy actions are camouflaged because they involve political pain, a heavier policy response and greater pain will be required to achieve the intended outcome than if there had been no dissemblance or camouflage.

Under this Treasurer, the dollar has fallen today to a new historic low of US51.1c. This situation has been going on for some time but, from the Treasurer’s public utterances, he is either in a state of denial or he believes he can afford to ignore it and eventually it will correct itself without doing major damage. I do not expect him to run a daily commentary on the Australian dollar’s movements, but I would expect a responsible Treasurer to be talking about the fundamentals underlying the value of the dollar and taking appropriate action. Either he does not understand the connection between the fundamentals and the dollar, or he knows that to recognise the problem would contradict the political line he has spun about the brilliance of his economic management. Even more frightening is the possibility that he actually believes he is brilliant and has the economy under control.

Here are the fundamentals he should have been concentrating on for the last two years. First and foremost, the current account deficit has been too high—running at six per cent of GDP for a period and at 5.3 per cent for the year to June 2000. That is unsustainable. It compares with a current account deficit of 4.7 per cent in March 1996. That was uncomfortably high, but it was heading down into the sustainable threes the following year, mainly as a result of policy action taken in 1995 by Labor. Largely as a result of the Treasurer’s neglect of the current account deficit, net foreign debt has grown from $193 billion in March 1996 to $268 billion in June 2000. It was 38.7 per cent of GDP then, and it is now 42.4 per cent. So Australia is not growing its way out of that problem.

With a US51.1c dollar, the Treasurer should contemplate the fact that the bigger the country’s foreign debt and the lower the dollar the more expensive it becomes to service. The Treasurer waxed eloquent today about a seasonally adjusted surplus of $677 million on the balance of trade in goods and services. However, the ABS attributes $1.4 billion of that to a one-off effect from the Olympics. Without it there would have been a deficit of around $700 million. Even with the one-off Olympic boost, the deficit on the balance of trade has been $11.1 billion over the last year. That compares with a deficit of less than $5 billion for the last 12 months Labor was in office. These are some of the major reasons why the Aussie dollar, which was US77.93c when Ralph Willis was Treasurer, is now languishing at a historic low of US51.1c.

New South Wales Government: Education Funding

Mr BARTLETT (Macquarie) (10.35 p.m.)—Over the last two weeks I have met with a number of school principals from both
the public and the private sector who have expressed their anxiety about school funding, an issue that we are all concerned about. There are several aspects of the current debate which I find very disturbing: firstly, the Carr government’s failure to adequately fund public schools in New South Wales; secondly, the dishonesty of the New South Wales government in trying to shift the blame for their own failure to the federal government, aided and abetted by the federal opposition; and, thirdly, the division that is being created between public and private schools because of the irresponsible actions of the state Labor government and of the New South Wales Minister for Education and Training, John Aquilina.

I make the following points. Firstly, the vast majority of our schoolteachers in both our public and private schools are capable, committed professionals who have the best interests of their students at heart but are battling a lack of resources in their schools. The second point I make is that the New South Wales government has failed abysmally to honour its responsibility to fund the state school system—to fund public schools. The Carr government has failed our schools, it has failed our teachers and it has failed our students. Under the Constitution, the state governments have the primary responsibility for funding public education, and the New South Wales government has failed. In last year’s budget, it raised funding for public schools by a miserable 1.7 per cent.

Mr St Clair—How much?

Mr BARTLETT—By 1.7 lousy per cent. In this year’s budget, there was an increase of 1.9 per cent. Over those two years, there were increases of 1.7 per cent and 1.9 per cent. This is in spite of substantial increases in financial assistance grants from the federal government. Last year, financial assistance grants to the New South Wales government rose by 4.1 per cent, this year by 6.5 per cent. Even a proportionate rise in education spending in New South Wales would have seen a rise of 4.1 per cent and 6.5 per cent. What do we get this year? A miserable, paltry, irresponsible, disgraceful 1.9 miserable per cent.

The New South Wales government is letting down the schools and the students in New South Wales. As a result, over the last three years, funding for public schools in New South Wales has fallen from 36 per cent of the state budget spending to less than 23 per cent. If that trend continues, our public schools will be in for a hard time under the Carr government. No wonder there is a problem with morale in the New South Wales school system. The third point I would make is this: contrary to the dishonesty of the New South Wales government and contrary to the dishonesty of the federal opposition, direct federal funding for New South Wales public schools is increasing substantially. In the last four years direct federal funding for New South Wales public schools has risen by 23 per cent, from $528 million to $649 million. That is an increase of $121 million, or 23 per cent, over four years, far outstripping the miserable effort of the New South Wales government to fund its own schools.

The fourth point I would make is that, contrary to the dishonest nonsense we get from the other side, the private school system actually saves the public school system money. On average, each student in a government school costs $5,600 a year to educate. On average, total government funding, state and federal, going to non-government school students is about $3,700 a year—that is, each student in a non-government school saves the public purse some $2,000 a year. If those students in the non-government sector were not supported, if they were to flow back into the state system, the public education system would be in crisis. We would have to find another $2,000 per student, or roughly some $2.2 billion extra across the country. If the state government at the moment is not adequately funding its schools, how in the world would it do it if there were an extra 100,000 students in New South Wales public schools? The point is that the federal government’s support for non-government school students is assisting the public education system in New South Wales. The New South Wales government has failed appallingly the students in our public schools. I call on the New South Wales government to get
its head out of the sand, to seriously take on its responsibilities for the future of the schools in New South Wales, to take seriously its responsibility for our students and to do the right and honourable thing and increase the funding for New South Wales public schools, instead of playing cheap, paltry politics, aided and abetted by the federal opposition. (Time expired)

Rankin Electorate: Mabel Park State High School

Mr EMERSON (Rankin) (10.40 p.m.)—One of the proudest moments I have enjoyed since I was elected as the member for Rankin was to be able to present an encouragement award last week to a student at Mabel Park State High School. His name is Ben Valentine and, with the permission of the principal at Mabel Park, Roslyn Parkes, I would like to draw upon her speech given at the award night, which deals at very considerable length with Ben Valentine. Ben Valentine is a year 12 student, and he said in an essay the following:

Ever since I was born, I’ve had to live with having cerebral palsy. I wasn’t able to walk until I was three years old, and even then I couldn’t walk properly. When I went to school, I noticed other children enjoying themselves by doing activities that I would rarely be good at. Whenever I thought about other people, the next conscious thought I would have was, I wish I could be normal like everyone else.

Ben went on in his essay to describe two operations that he had had to extend the tendons in his legs. They were very painful operations. After a number of years he came to a realisation, and he said in his essay:

... the lack of physical activity in my life has given me a way of seeing the world which ‘ordinary’ people rarely seem to have. Everyday, people indulge themselves in physical activity, becoming rooted in a materialistic view of the world.

On the other hand, I often find myself just sitting down, studying normal people’s actions and thoughts; contemplating the future; asking myself questions concerning the nature of life itself. If I didn’t have this disability, I probably wouldn’t be so philosophical.

He went on to say:

It can be said that my disability is a physical curse. Yet on the other hand it is a mental blessing. I know that I will never be cured of this condition. If someone offered me a magical way of making me physically normal, I would instantly refuse. This disability is a part of me. If it were removed from my entire life, the individual that I have become would simply cease to exist.

I want to pay tribute to Ben Valentine for his courage and for the terrific work that Mabel Park High School does in encouraging people like Ben Valentine to go through school, in an area that is not a high income area, and to excel at school. Ben’s ambition is to become a journalist, and I think he will become a very good journalist. This gives me the opportunity to acknowledge Roslyn Parkes, the principal of Mabel Park High, and Mr John Rodwell and Mr Craig Schmidt, who are deputy principals. Time does not permit me to acknowledge all of the fine staff at Mabel Park High.

My colleague who has just spoken, the member for Macquarie, is a member of the House of Representatives Standing Committee on Employment, Education and Workplace Relations currently inquiring into the education of boys. I know that he is passionate about the education of all young people. We are looking into specific problems of boys, but in the course of that we are also looking into the challenges of making sure that children in all disadvantaged areas around Australia get a decent education. Schools in my electorate, such as Mabel Park High, Woodridge High, Kingston High and a number of other high schools, are trying new programs to make sure that the kids at those schools get the sort of education they deserve so that by being born in a particular socio-economic area does not mean that those kids will have the die cast and that somehow they will get a lesser education than kids born in more affluent areas. I think the schools in my electorate are doing a terrific job. I hope the committee will visit my electorate to see the good work that is being done and also the challenges that lie ahead.

Australian Labor Party: Queensland

Mr CAMERON THOMPSON (Blair) (10.44 p.m.)—The only thing Labor seems able to fix in Queensland is elections. While our state hospital queues continue to grow longer and the roads decay, the Beattie Labor
government is spending all of its time trying to avoid the spectre of more vote rorting allegations. Day after day, week after week, Justice Shepherdson has heard evidence from witnesses pointing the finger at those responsible for electoral fraud within the Queensland ALP, and hasn’t there been an extended list of witnesses? To date, senior Labor identities such as the member for Lilley and now the member for Griffith have been named at the inquiry. That is not to mention the many other bit players convicted vote rigger Karen Ehrmann has claimed were involved in, or were aware of, this fraud.

Just last night, the ABC’s Four Corners program took this matter further and broadcast some very telling and insightful interviews with some of the key players in the whole sorry saga. The Four Corners program even reported some very interesting phone conversations which highlight the desperation and ruthlessness presently evident within the Queensland ALP. All of these revelations, including rather detailed and specific allegations of an attempt to pervert the course of justice, cut to the heart of our electoral system and expose the Labor Party as a desperate, corrupt and power-hungry organisation. However, of all the allegations that have been made thus far, I would have to say that one of the most outrageous relates to Townsville identity, Mr Russell Carr. Mr Carr is a long-time member of the Labor Party and is the husband of state Labor MLA for Mundingburra, Lindy Nelson Carr. Although I do not know Mr Carr, I believe he could only be described as a stayer—a stayer who has stuck with the ALP although the party stripped him of the right to run for parliament and branded him as disloyal.

You see, Mr Carr wanted to run for Mundingburra. Long before his wife was ever endorsed, Russell Carr put his hand up and offered his services as a Labor candidate. In fact, had it not been for a small error of judgment back in 1995, Mr Carr may well have been elected the member for Mundingburra instead of his wife. (Quorum formed) Unfortunately for Mr Carr, the administrative committee of the ALP refused or rejected his nomination because he was found to have been disloyal in that he handed out how-to-vote cards for the Greens during the 1995 state election. On the face of it, no political party would be too keen to endorse a candidate who had supported another; however, it has now been revealed that Mr Carr was not actually a supporter of the Greens but rather a hard-working Labor Party member lent to the Greens in return for preferences. (Time expired)

Child Support Agency: Services

Mr BYRNE (Holt) (10.49 p.m.)—I rise tonight to speak about a case of a single mother, whom I will call Mrs M. Mrs M is a mother of two children who has been hung out to dry by a government agency which is supposed to support her. Tonight I will detail examples of major deficiencies within the operation of the Child Support Agency.

The case of Mrs M shows a severely underresourced government agency which is struggling to stay afloat; case officers who do not have access to full information upon which to base their decisions; an incapacity to transfer information between units of the same agency; staff who simply do not have time to follow things through in a highly stressed, underresourced environment; staff who are forced to make assessments without the relevant documentation; and systemic failure which resulted in a senior case officer overriding a Family Court order regarding payment of child support, in spite of Mrs M’s attempts to highlight this to him. This failure generated not only unneeded stress and anxiety to Mrs M but also additional cost to the agency, the taxpayers, and Mrs M. The details of the case are as follows: In January 2000, Mrs M applied for a change of assessment, as her former husband’s income had increased since the previous assessment. A teleconference to hear this matter was set for 17 February 2000.

On 4 February, Mrs M received a letter from the CSA, stating that internal computer assessments had been conducted and, as a consequence, her child support payments would be increased. On 11 February, she rang the CSA to say there was no need for an assessment by phone. She was, however, advised that she must proceed with the teleconference, as there was a cross-application from Mrs M’s former husband saying that he
wanted to reduce the amount that had been stipulated in the decision by the Family Court. This sort of cross-application apparently occurs quite frequently.

On 17 February, the teleconference was held. At the start of the conference, the senior case officer asked why she was doing another review, and it was also suggested to her that she back off. The senior case officer went on to hear the case but, when questioned, Mrs M found out that he did not even have the documents required to complete the hearing. She had to fax him a copy of the new computer-generated assessment for a further teleconference, which was scheduled and completed without incident on 2 March. On 18 April, Mrs M received a letter from the senior case officer informing her that her support payments were to be reduced. In fact, it was found that Mrs M had incurred a nominal overpayment of some $2,000, which proved to be an incorrect amount which occurred as a consequence of ignoring the relevant final orders of the Family Court. The letter was dated 30 March but was posted on 17 April. Consequently, Mrs M received no payments for the month of March and the federal government had to increase its family payments to cover this shortfall, but it was nowhere near the amount that she had been receiving, which was $1,250 a month.

On 26 April 2000 Mrs M put in an objection to the finding of the senior case officer. On 18 May she rang the CSA regarding the status of the objection and was informed that there was no progress. She was assured that it was in the system. On 16 June Mrs M sent a support letter from a child support worker of the local community legal centre, Springvale Monash Legal Centre. On 19 June she was forced to ring up. She spoke to the officer from the complaints section and was told that there was still no further progress to date. On 21 June she received a letter from the CSA acknowledging her objection. On 7 July she rang another officer in the complaints section and was informed that there was still no action being taken. On 10 July Mrs M made a call to the change of assessment team, as 60 days had passed and she had still had no response from the team. By law the Registrar of the Child Support Agency must decide in 60 days to allow or disallow the objection of the individual.

On 11 July the person from the change of assessment team rang back to apologise and suggested that the delay was due to a lack of staff. The file had been sent to Hobart and was going to be handled by another officer. She was informed that it should take two weeks for a decision. On 24 July Mrs M rang again and was told by two officers from the CSA that there had been no further progress to date. On 26 July she spoke to another officer from the CSA who again apologised. On 9 August the previous case officer reported no progress. It was suggested by the officer that Mrs M write to the minister. At that stage the objection was over 100 days old. On 18 August the CSA connected Mrs M to the CSA case officer in Hobart who told her that a decision would be there next week. On 28 August the decision finally arrived. The assessment by the senior case officer was overturned and the final orders from the Family Court were reinstated. In Mrs M’s first teleconference with the senior case officer, he refused to accept the evidence regarding the Family Court’s final orders. It appears he had no reference to the final order, which should have been on the file anyway. On 23 October Mrs M rang my office to detail further problems with the agency. Even though the decision of the senior case officer was overturned, the agency did not appear to be aware of this. They continued to take moneys from her reinstated monthly payment and deducted $600 from her tax return to pay moneys to her former husband.

As a consequence of this case and others like it, the Minister for Community Services should as a matter of priority conduct a review of the administration of the Child Support Agency. This review must occur immediately so that decent hardworking women like Mrs M and others, like former husbands and wives who are carers and non-primary carers, are not let down by a system that was supposed to support them. (Time expired)

Animal Welfare

Mr St CLAIR (New England) (10.54 p.m.)—We have a situation where the New South Wales government uses the Aussie stockhorses to star in the Olympic Games
opening ceremony but within a few days they send out the helicopter gunships to slaughter more than 600 horses in a national park in my electorate. Guy Fawkes National Park is 64,000 hectares. When many people run horses on blocks of less than two hectares, is there really any need to send out helicopter gunships to kill 600 horses?

It is a matter of consistency. The Carr Labor government have used the issue of animal cruelty to ban the use of pig dogs in the culling of feral pigs, to ban the use of electric immobilisers for farm animals and to ban the use of steel-jawed traps for rabbits, foxes, dingoes and wild dogs. They are also in the process of trying to ban aerial baiting of wild dogs in national parks, despite the fact that wild dogs and foxes decimate the populations of small native animals. But their concern does not apparently extend to the brumbies of New England which have roamed there for more than 100 years. It is one thing to humanely cull animals, but local graziers have told me of shocking scenes. A constituent of mine, Mr Upjohn, sent me a copy of a letter he sent to Mr Carr. The letter read:

Dear Mr Carr,

I am a horseman and lover of the bush and I write to you to deplore a situation that has just been brought to my attention.

I have just been given graphic description of an article on tonight’s channel 9 local news concerning the inhuman slaughter of brumbies in the Guy Fawkes National Park. I have not seen it myself but I will tell you that the description I received came from a strong, independent bushman, not given to exaggeration, who was moved almost to tears by the blatant cruelty. The footage showed examples such as a horse with no less than nine wounds including a shattered leg, another shot of a mare either shot while foaling or who died trying to foal after being shot.

Since the news my telephone has not stopped.

And neither has mine. The letter continues:

The National Parks Organization has a lot to answer for. To allow a gang of obviously incompetent trigger happy yobbos to blaze away indiscriminately from taxpayer funded helicopters, to produce the results shown tonight is reprehensible.

I am aware that the brumbies in the Guy Fawkes and Wild Rivers National parks are an obstacle to some peoples dream of returning the wilderness to its pristine, dreamtime, pre European settlement state, but to allocate scarce and much needed funds to the cruel, botched, butchering of a mob of relatively harmless horses while Lantana is out of control and the parks are overrun with feral pigs is bordering on criminal.

Any claim by parks management that this was necessary to save the brumbies from starvation is a nonsense. This move has been mulled over for years. Planned like the midnight demolition of classified buildings to be presented as a fait accompli. Until now those in management have had the good sense to see the potential community reaction to just such an act and refrain.

It is urgent that action is taken now, today, to prevent the same thing happening to the brumbies in the Macleay and Apsley. They may even be on the Agenda for tomorrow and it is possible that you are the only person who can stop it.

Rational people, even fanatical horse lovers, can understand and accept the need for humane management plans for feral horses but this cruel butchery is not on. There are plenty of alternatives to this madness. It has to be stopped immediately.

Except for NSW national parks management the whole world loves horses. This stupid inhuman act is going to bring Australia into disrepute throughout the world.

Thank you for taking the time to read this. I hope you will add your weight to the efforts to stop any further slaughter. I am sure you will agree, whether you give a damn about horses or not, this sort of cruelty must not be condoned under any circumstances.

It is dreadful. I was pleased to note a media report that stated that the RSPCA is investigating the matter, and I would urge that organisation to prosecute as it does farmers or anyone found to have inflicted undue suffering on these poor animals. After all, when you see the country out there and know that it has been roamed by these horses for so long, to see the gunships is dreadful. (Time expired)

Maltese Labour Party: Visit

Ms ROXON (Gellibrand) (10.59 p.m.)—In the short time available I want to bring to the attention of the House three members from the Maltese Labour Party who came to visit and meet us in the parliament. I would like to put on the record our appreciation for the full and frank exchange of views that we had with these parliamentary members and
also the work of the member for McMillan, who is our only Maltese born member of parliament in this House, and the member for Maribyrnong, whose wife is Maltese born. It was an important thing for us to do. I am very disappointed that I cannot be in Sunshine when these members of the Maltese Labour Party visit my electorate and the Maltese Community Centre there. I hope that their visit goes well.

Mr SPEAKER—Order! It being 11.00 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

NOTICES

The following notices were given:

Mr Slipper—to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: Proposed CSIRO Energy Centre at Steel River, Newcastle, New South Wales.

Mrs Gallus—to move:
That this House:

(1) recognises the contribution to Australia’s export earnings of the Australian horticultural industry and its potential for future growth;

(2) notes that recent shortfalls in horticultural labour has caused delays in harvesting crops and, in some cases, spoilage of the harvest;

(3) acknowledges the need for the horticultural industry to have access to an adequate labour force;

(4) promotes recognition of the National Harvest Trail to encourage Australians to take on harvest work in different regions throughout the year;

(5) facilitates promotion of the Harvest Trail in domestic and international publications;

(6) commends the report by the National Harvest Trail Working Group entitled “Harvesting Australian”; and

(7) calls on the Government to take up the recommendations of the report.

Mr Beazley—To present a bill for an act to establish the office of Auditor of Parliamentary Allowances and Entitlements, and for related purposes.
QUESTIONs ON NOTICE

The following answers to questions were circulated:

Attorney-General’s Department: Transactions
(Question No. 1689)

Mr Tanner asked the Attorney-General, upon notice, on 26 June 2000:

(1) How many individual transactions with individual members of the public were conducted by each agency in the Minister’s portfolio in (a) 1998-99 and (b) 1999-2000, and if available, what are the forecast figures for (c) 2000-01, (d) 2001-02, (e) 2002-03 and (f) 2003-04.

(2) What definition of transaction is used to determine these figures.

(3) What proportion of these transactions were or are expected to be conducted online.

(4) What was the total cost of administering these transactions for each agency in (a) 1998-99 and (b) 1999-2000 and what is the estimated cost for (c) 2000-01, (d) 2001-02, (e) 2002-03 and (f) 2003-04.

(5) What was the total cost of administering the online transactions in (a) 1998-99 and (b) 1999-2000 and what is the estimated cost for (c) 2000-01, (d) 2001-02, (e) 2002-03 and (f) 2003-04.

Mr Williams—The answer to the honourable member’s question is as follows:

(1) to (5) The detailed information required to answer the honourable member’s question is not readily available. I do not consider appropriate the expenditure of resources and effort that would be involved in collecting and assembling the information across the portfolio for the sole purpose of answering questions of this nature.

Sydney (Kingsford Smith) Airport: Safety Concerns
(Question No. 1744)

Mr McClelland asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

Has he, his Department or anyone on his behalf received representations from the Australian International Pilots Association to the effect that the Association is concerned that safety at Sydney (Kingsford-Smith) Airport is subservient to noise abatement demands; if so, will he take action to investigate those concerns and what will that action be.

Mr Anderson—The answer to the honourable member’s question is as follows:

The International Federation of Airline Pilots’ Associations (IFALPA) has recently raised concerns about carrying out operations in crosswinds of up to 25 knots for noise abatement purposes.

Since 1989 the procedures across Australia have allowed for the continued use of dry runways with a crosswind component of up to 25 knots and downwind components of up to 5 knots. Continued use of wet runways is available with a crosswind component of up to 25 knots with no downwind component, or a crosswind of up to 15 knots with a downwind component of up to 5 knots. I have been advised that these runway use criteria were introduced to enhance airport capacity and not introduced for noise abatement purposes.

Given the concerns raised by IFALPA I have asked the Civil Aviation Safety Authority to undertake a review of this matter in conjunction with the Australian Transport Safety Bureau and Airservices Australia.

Goods and Services Tax: Veterans’ Affairs Portfolio Compliance
(Question No. 1780)

Mr Hatton asked the Minister for Veterans’ 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.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) In June 2000, the chief executives of all agencies within my portfolio were asked to provide me with written confirmation that they would be able to comply with The New Tax System from 1 July 2000. I received such assurances from each agency.

(2) Department of Veterans’ Affairs:

A project team within the department undertook the significant change management associated with the implementation of The New Tax System. Working with consultants from Deloitte Touche Tohmatsu, the team implemented a range of required changes to policy, processes and systems in order to ensure full compliance by 1 July 2000.

Major activities included an analysis, for taxation purposes, of the goods and services provided and purchased by the department. The implementation of the new system raised issues concerning the department’s management of cash flow and the required timing for lodgement of DVA’s monthly business activity statement. Critical modifications of the department’s financial management information system and other departmental payment systems were implemented to ensure full compliance.

The Department contributed, via a series of regular reports, to the Department of Finance and Administration’s GST Unit on progress towards implementation. An audit of the department’s progress was conducted by DOFA on 11 April 2000, with satisfactory results.

The project team was also responsible for providing GST training to approximately 1500 departmental employees and for the production of both general and provider-specific correspondence informing DVA providers and suppliers of their obligations under The New Tax System.

On 15 June 2000, the department reported to me, as Minister, that it had satisfied all of the identified whole of government requirements, including GST registration, critical transition issues, system modifications and procedural change, cash flow management, monitoring, reporting, and contingency planning.

Australian War Memorial:

The Memorial’s Finance Manager was seconded for the period November 1999 to April 2000 to examine all aspects of the Memorial’s operations to determine whether the GST would apply, to determine appropriate pricing for Memorial products and services and develop appropriate procedures for handling the new tax. The recommendations made by the Finance Manager were approved by Council and management of the Memorial and implemented with appropriate training provided to staff.

In preparing for the GST some modifications were made to the Memorial’s financial management system. The Memorial reported regularly to the GST Unit at the Department of Finance and Administration on progress towards implementation of the GST and was audited by the GST Unit on 10 March 2000.

With all preparations completed the Memorial wrote to me on 15 June 2000 to advise that it was ready for implementation of the GST.

Defence Services Homes Insurance:

The firm of Deloitte Touche Tohmatsu was commissioned to prepare a comprehensive analysis of the impacts of the Goods and Services Tax (GST) on DSHI. In addition, the firm of Tillinghurst-Towers Perrin was engaged to advise on the estimated effect of the GST on unearned premium provisions, claims costs and premium pricing.

Issues covered included:

• The establishment of appropriate procedures to ensure the charging of GST on DSHI policies were in accordance with the GST legislation;
Ensuring DSHI systems were capable of accounting for GST in accordance with the legislation;
Advice on liaison with external stake holders (eg QBE Mercantile Mutual);
Training of DSHI staff on GST issues (including contracts, customer service, accounts payable, and accounts receivable);
Preparation of Systems and Business Rules documentation;
Comprehensive Systems design to capture GST issues; and
Preparation of the Project Plan to oversee the implementation of the GST.

Deloitte Touche Tohmatsu continued to provide ongoing technical advice throughout the GST Project to ensure DSHI systems were compliant with all aspects of the GST legislation and to ensure a GST-ready system was in place on 1 July 2000.

(3) The implementation and ongoing management of tax reform by agencies is the responsibility of their respective chief executives or boards of management. While the Government will continue to monitor the impact of the implementation of The New Tax System, the reforms are not expected to reduce the level of funding of agencies in this portfolio in real terms.

Illegal Immigration: Villawood Detention Centre
(Question No. 1801)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 15 August 2000:

(1) Further to the answer to question No. 1652 (Hansard, 17 August 2000, page 19365) concerning the $6810 bond attached to a Bridging E Visa, allowing an individual recognised as a genuine refugee to leave detention, why are the majority of refugee applicants of Chinese background in Villawood Detention Centre being charged amounts between $30,000-$50,000.

(2) Is the determination of a security amount dependent on the country of origin or ethnic background of the refugee applicant; if not, what criteria does his Department use in determining the amount of a bond or security for a Bridging E Visa application to refugees.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) Bridging E Visas allow people who would otherwise be unlawful and subject to detention to make arrangements to leave Australia on a voluntary basis or remain in the community until an application lodged with the department or review body is finalised. They are not available to an individual recognised as a genuine refugee as stated by Dr Theophanous. Those assessed as genuine refugees and who meet all visa requirements are granted either a permanent or temporary substantive visa.

Generally, detainees who have undergone clearance procedures at the point they entered Australia and satisfy certain criteria are able to apply for a Bridging E Visa. Securities are part of the Bridging E Visa decision-making process. In deciding a Bridging E Visa, decision-makers must consider whether the applicant will abide by the conditions that will be attached to the visa and whether the lodgement of a security will ensure that the applicant will abide by those conditions.

Current departmental instructions state that there is no limit to the amount of security an officer may require from a Bridging E Visa applicant. However, the amount should be sufficiently high to act as a strong incentive for compliance with any conditions imposed on the visa. The department’s experience has been that applicants who have one or a number of factors in their history are more at risk of absconding and, hence, they can expect that a higher security may be requested. Applicants who have been asked to lodge a high security will have one or more of the following factors in their history:

. Breached immigration law and had a visa cancelled;
. Failed to regularise their status with the department and they have become unlawful;
. Refused to identify themselves to the satisfaction of departmental officers and/or refused to complete travel documentation to depart Australia;
. Have previously absconded and may have forfeited an earlier security; or,
. Actively avoided being detained.
Figures taken from the department’s compliance data base indicate certain patterns in terms of people who have been granted a Bridging E Visa with a security attached and who have absconded or failed to maintain contact with the department. In the 1999/2000 year, 800 securities were lodged with the department. In the same year 87 securities were forfeited.

(2) The department does not set guidelines regarding the amount of the security required; it is an individual decision based on the circumstances of each applicant. In considering the Bridging E Visa application, decision-makers should consider (in addition to whether the applicant satisfies the primary criteria for the grant of the visa);

- what conditions, if any, the decision-maker considers should be imposed on the grant of the visa;
- whether the applicant is likely to abide by those conditions; and
- whether the prospects of the applicant abiding by those conditions would be significantly enhanced if they were to lodge a financial security.

It is in this context that an individual’s background and history, as outlined in response to question 1, would be considered.

**Department of Defence: Salaries and Staffing Levels**  
(Question No. 1831)

Mr Tanner asked the Minister Assisting the Minister for Defence, 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 Bruce Scott—The answer to the honourable member’s question is as follows:

Department of Defence - Australian Public Service - Financial Year 1999-2000

| (a) Senior Executive Service Band 1-3 | $97,121.05 |
| Executive Level Band 1-2 | $65,227.00 |
| Australian Public Service Band 1-6 | $36,254.00 |

(b) Senior Executive Service Band 1-3 | 86.5 |
| Executive Level Band 1-2 | 3056.9 |
| Australian Public Service Band 1-6 | 12,943.0 |

**Voyager Disaster: Legal Action**  
(Question No. 1857)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 17 August 2000:

(1) How many former HMAS Melbourne personnel have initiated legal action against the Commonwealth in relation to the Voyager disaster.

(2) How many of these personnel have so far obtained an extension of time to sue from the courts.

(3) How many cases in total have been finalised by a court judgement in favour of the (a) plaintiff and (b) Commonwealth.

(4) How many cases in total have been settled out of court.

(5) What is the total sum of compensation that has been paid by the Commonwealth to date in respect of (a) the court judgements in favour of the plaintiff referred to in part 3(a) and (b) the out of court settlements referred to in part (4).

(6) What have been the Commonwealth’s total legal costs to date for cases that have not yet been finalised.

(7) What have been the Commonwealth’s total legal costs to date for cases that have been (a) finalised by a court judgement in terms of part (3) and (b) settled out of court in terms of part (4).
Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) 142
(2) 18
(3)(a) One.
(b) None.
(4) 39
(5)(a) $633,739.00
(b) $10,190,091.00
(6) Approximately $794,500.00
(7)(a) Approximately $363,000.00
(b) Approximately $2.7million.

Collins Class Submarines: International Naval Exercises
(Question No. 1876)

Mr Sawford asked the Minister for Defence, upon notice, on 29 August 2000:

(1) Are Australia’s Collins Class Submarines performing extremely well in international naval exercises.

(2) Has his Department and the Royal Australian Navy been silent about the success of the Collins Class Submarines in these exercises because they are seeking additional funds to fix problems with these submarines.

(3) Has the combat system been a major failing of the Submarine Construction Project.

(4) Were the specifications for the combat system developed by his Department and the supplier of the system also selected by his Department.

(5) Has his Department refused to allow the Australian Submarine Corporation to place the American supplier of the system into default of contract as far back as 1993.

(6) Has his Department, rather than the Australian Submarine Corporation, accepted blame for this deficiency, if not, why not.

Mr Moore—The answer to the honourable member’s question is as follows:

(1) The three Collins Class submarines, HMAS COLLINS, FARNCOMB and WALLER, all performed well in recent international exercises off Hawaii, in the South China Sea and off Darwin.

(2) The Defence Organisation has not been silent about the success of the submarines in these exercises. At a press conference given by the Head of the Submarine Capability Team on 3 August 2000, to report on progress one year on from the McIntosh/Prescott Report, Rear Admiral Peter Briggs praised the submarines’ performance during the exercises and drew attention to the first successful Harpoon firing from a Collins Class submarine. In the associated Department of Defence press release, Rear Admiral Briggs emphasised the successful participation of the two submarines in exercises off Hawaii, commented on the success of the Harpoon long range anti-ship missile firing and confirmed that Defence was overcoming the Collins Class submarine’s operational deficiencies and improving their reliability.

(3) Yes.

(4) Yes.

(5) The combat system sub-contract was between the Australian Submarine Corporation and the combat system supplier, then Rockwell Systems Australia. ASC did issue a default notice to RSA in September 1993, but did not take action on the notification in an attempt to resolve the matters in default.
(6) See answer to part (5) above. The department reached agreement with the Australian Submarine Corporation and the combat system supplier on a consideration for the shortfalls in the combat system performance.

Australian Submarine Corporation: Retrenchments
(Question No. 1877)

Mr Sawford asked the Minister for Defence, upon notice, on 29 August 2000:

(1) Is he aware of public comments by Australian Submarine Corporation (ASC) management that if further work contracts, whether for refits or ongoing maintenance, do not eventuate the ASC will retrench a significant number of its highly skilled and committed workforce.

(2) Can he advise what steps he has taken to ensure that the strategic asset which the workforce of the ASC represents is secured.

Mr Moore—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) On 26 June 2000, the Federal Government announced that it would acquire the remaining shares in the Australian Submarine Corporation (ASC), subject to achieving a satisfactory outcome on price. This decision demonstrates Government commitment to maintaining the skills necessary to sustain this important capability.

Australian Defence Force: Higher Education Contribution Scheme Obligations
(Question No. 1899)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 31 August 2000:

(1) Under what circumstances can the Australian Defence Force (ADF) agree to assume the HECS obligations of serving members who are undergoing University study.

(2) For the latest year for which data is available, how many servicemen and women were undertaking University study for which the ADF had agreed to meet their HECS obligations.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) The ADF only pays the HECS obligations of serving members when the member is studying an approved course for which there is a demonstrated work requirement. It does this under the ‘Civil Schooling Scheme’ and the Junior Officer Professional Education Scheme (Army only). However, Defence covers, or partially covers, HECS fees under three other circumstances:

• Defence subsidises military personnel studying at recognised tertiary institutions under the Defence Force Assisted Study Scheme. Personnel applying for these schemes must fulfill certain preconditions, for example they must demonstrate that the study is related to their work and provide evidence that they have passed their studies before being reimbursed 60% of their HECS.

• Under the Undergraduate Entry Scheme, Defence funds selected specialist students (medical, dental) to compete their studies prior to joining Defence. However, when these HECS obligations are paid, the individuals are not ‘serving members’.

• As the Australian Defence Force Academy is a Defence-funded institution, serving members undertaking study do not incur a HECS liability.

(2) In 1999, under the Civil Schooling and Junior Officer Professional Education Schemes, Defence met the HECS obligations for 360 personnel. The number of personnel involved in the other associated schemes in 1999 are:

• Defence Force Assisted Study (60% of fees) 710
• Undergraduate Entry Schemes 36
• Australian Defence Force Academy 1,532

Where Defence funds 100% of an individual’s HECS, Defence imposes a Return of Service Obligation to help ensure it receives an appropriate return on its investment.
McClure Report: Recommendations
(Question No. 1905)

Mr Latham asked the Minister representing the Minister for Family and Community Services, upon notice, on 31 August 2000:

Has the Government given in-principle support to the recommendations of the McClure Report on Participation Support for a More Equitable Society; if so, does this include the recommendation that the concept of mutual obligation be extended to the social responsibilities of corporate Australia and how will this be implemented.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) The Government has given in principle support to the McClure report on ‘Participation Support for a More Equitable Society’. The Government has not yet responded to individual recommendations made in the report. These recommendations are currently being considered by the Government and its response will be available by the end of this year.

(2) The Prime Minister’s Community Business Partnership has been established in recognition that welfare handouts alone will not solve all of the problems facing communities across Australia, especially in the bush and in towns hit hard by the shifts in our economy.

The Prime Minister’s Community Business Partnership aims to develop and promote a culture of community/business collaboration in Australia.

The Government Response to the Reference Group’s report will include a more detailed response to the recommendations about the mutual obligations on business.

UNESCO Convention for the Protection of Cultural Property in the Event of Armed Conflict
(Question No. 1954)

Mr Latham asked the Minister for Foreign Affairs, upon notice, on 2 September 2000:

Will he bring up to date the information provided in his answers to paragraphs 4 to 8 in Question No. 834 (Hansard, 2 September 1999, page 9904).

Mr Downer—The answer to the honourable member’s question is as follows:

Since my answer to Question No. 834, Uruguay, the Republic of Moldova and the People’s Republic of China have become parties to the Convention for the Protection of Cultural Property in the Event of Armed Conflict of 14 May 1954.

Nine States have signed the Second Protocol of 26 March 1999 to the Convention since 2 September 1999, bringing the total number of signatories to 39. The nine States are: Armenia, Belarus, Bulgaria, Colombia, Ecuador, Egypt, Morocco, Romania and Slovakia. In accordance with Article 40, the Protocol closed for signature on 31 December 1999. Consequently, no further States will be able to sign the Protocol. States that have not signed the Protocol will be able to become Parties by acceding to the Protocol in accordance with Article 42. Qatar is the only signatory to have ratified the Second Protocol.

Australia did not sign the Second Protocol before it closed for signature on 31 December 1999. No decision has yet been taken on whether Australia will accede to the Protocol. There is therefore no timetable for accession at this stage. The inter-departmental committee chaired by the Department of Foreign Affairs and Trade will continue to consider accession to the Second Protocol.