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SITTING DAYS—2005

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- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
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FORTY-FIRST PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General
His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

House of Representatives Officeholders
Speaker—the Hon. David Peter Maxwell Hawker MP
Deputy Speaker—the Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Henry Alfred Jenkins MP

Members of the Speaker’s Panel—the Hon. Dick Godfrey Harry Adams, Mr Robert Charles Baldwin, the Hon. Bronwyn Kathleen Bishop, Mr Michael John Hatton, Mr Peter John Lindsay, Mr Robert Francis McMullan, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, the Hon. Alexander Michael Somlyay, Mr Kim William Wilkie

Leader of the House—the Hon. Anthony John Abbott MP
Deputy Leader of the House—the Hon. Peter John McGauran MP
Manager of Opposition Business—Ms Julia Eileen Gillard MP
Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips
Liberal Party of Australia
Leader—the Hon. John Winston Howard MP
Deputy Leader—the Hon. Peter Howard Costello MP
Chief Government Whip—Mr Kerry Joseph Bartlett MP
Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP
The Nationals
Leader—the Hon. Mark Anthony James Vaile MP
Deputy Leader—the Hon. Warren Errol Truss MP
Whip—Mr John Alexander Forrest MP
Assistant Whip—Mr Paul Christopher Neville MP
Australian Labor Party
Leader—the Hon. Kim Christian Beazley MP
Deputy Leader—Ms Jennifer Louise Macklin MP
Chief Opposition Whip—the Hon. Leo Roger Spurway Price MP
Opposition Whips—Mr Michael David Danby MP and Ms Jill Griffiths Hall MP

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<td>La Trobe, VIC</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

Heads of Parliamentary Departments
Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C. Harris
Secretary, Department of Parliamentary Services—H R Penfold QC
HOWARD MINISTRY

Prime Minister
Minister for Trade and Deputy Prime Minister
Treasurer
Minister for Transport and Regional Services
Minister for Defence and Leader of the Government in the Senate
Minister for Foreign Affairs
Minister for Health and Ageing and Leader of the House
Attorney-General
Minister for Finance and Administration, Deputy Leader of the Government in the Senate and Vice-President of the Executive Council
Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House
Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs
Minister for Education, Science and Training
Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service
Minister for Communications, Information Technology and the Arts
Minister for the Environment and Heritage

The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
Senator the Hon. Robert Murray Hill
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin
The Hon. Peter John McGauran MP
Senator the Hon. Amanda Eloise Vanstone
The Hon. Dr Brendan John Nelson MP
Senator the Hon. Kay Christine Lesley Patterson
The Hon. Ian Elgin Macfarlane MP
The Hon. Kevin James Andrews MP
Senator the Hon. Helen Lloyd Coonan
Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)
HOWARD MINISTRY—continued

Minister for Justice and Customs and Manager of Government Business in the Senate
Senator the Hon. Christopher Martin Ellison

Minister for Fisheries, Forestry and Conservation
Senator the Hon. Ian Douglas Macdonald

Minister for the Arts and Sport
Senator the Hon. Charles Roderick Kemp

Minister for Human Services
The Hon. Joseph Benedict Hockey MP

Minister for Citizenship and Multicultural Affairs
The Hon. John Kenneth Cobb MP

Minister for Revenue and Assistant Treasurer
The Hon. Malcolm Thomas Brough MP

Special Minister of State
Senator the Hon. Eric Abetz

Minister for Vocational and Technical Education
The Hon. Gary Douglas Hardgrave MP

and Minister Assisting the Prime Minister

Minister for Ageing
The Hon. Julie Isabel Bishop MP

Minister for Small Business and Tourism
The Hon. Frances Esther Bailey MP

Minister for Local Government, Territories and Roads
The Hon. James Eric Lloyd MP

Minister for Veterans’ Affairs and Minister Assisting
The Hon. De-Anne Margaret Kelly MP

the Minister for Defence

Minister for Workforce Participation
The Hon. Peter Craig Dutton MP

Parliamentary Secretary to the Minister for Finance and Administration
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Warren George Entsch MP

Parliamentary Secretary to the Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Parliamentary Secretary to the Minister for Defence
The Hon. Teresa Gambaro MP

Parliamentary Secretary (Trade)
Senator the Hon. John Alexander Lindsay Macdonald

Parliamentary Secretary (Foreign Affairs) and
The Hon. Bruce Fredrick Billson MP

Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs
The Hon. Gary Roy Nairn MP

Parliamentary Secretary to the Prime Minister
The Hon. Christopher John Pearce MP

Parliamentary Secretary to the Treasurer
The Hon. Gregory Andrew Hunt MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Sussan Penelope Ley MP

Parliamentary Secretary (Children and Youth Affairs)
The Hon. Patrick Francis Farmer MP

Parliamentary Secretary to the Minister for Education, Science and Training
Senator the Hon. Richard Mansell Colbeck

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research
Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Health and Manager of Opposition Business in the House
Shadow Treasurer
Shadow Attorney-General
Shadow Minister for Industry, Infrastructure and Industrial Relations
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security
Shadow Minister for Defence
Shadow Minister for Regional Development
Shadow Minister for Primary Industries, Resources, Forestry and Tourism
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories
Shadow Minister for Public Accountability and Shadow Minister for Human Services
Shadow Minister for Finance
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility

(The above are shadow cabinet ministers)
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<td>Shadow Minister for Agriculture and Fisheries</td>
<td>Gavan Michael O’Connor MP</td>
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<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow</td>
<td>Joel Andrew Fitzgibbon MP</td>
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<td>Minister for Small Business and Competition</td>
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<td>Shadow Minister for Transport</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
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<tr>
<td>Shadow Minister for Sport and Recreation</td>
<td>Senator Kate Alexandra Lundy</td>
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<tr>
<td>Shadow Minister for Homeland Security and</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
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<tr>
<td>Shadow Minister for Aviation and Transport Security</td>
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<td>Shadow Minister for Veterans’ Affairs and</td>
<td>Alan Peter Griffin MP</td>
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<tr>
<td>Shadow Special Minister of State</td>
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<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
<td>Senator Thomas Mark Bishop</td>
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<td>Manager of Opposition Business in the Senate</td>
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<td>Shadow Minister for Overseas Aid and Pacific Island Affairs</td>
<td>Robert Charles Grant Sercombe MP</td>
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<td>Peter Robert Garrett MP</td>
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<td>John Paul Murphy MP</td>
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<td>Shadow Parliamentary Secretary for Defence and Veterans’ Affairs</td>
<td>The Hon. Graham John Edwards MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Kirsten Fiona Livermore MP</td>
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<td>Shadow Parliamentary Secretary for Environment and Heritage</td>
<td>Jennie George MP</td>
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<td>Bernard Fernando Ripoll MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Ann Kathleen Corcoran MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Treasury</td>
<td>Catherine Fiona King MP</td>
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<td>Shadow Parliamentary Secretary for Science and Water</td>
<td>Senator Ursula Mary Stephens</td>
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<td>Shadow Parliamentary Secretary for Northern Australia and Indigenous</td>
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Mr WINDSOR (New England) (9.01 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for New England from moving the following motion immediately:

That this House:

(1) bring forward the debate on the Private Members’ bill—Fuel Quality Standards (Ethanol content) Amendment Bill 2005;

(2) acknowledges the skyrocketing fuel prices across the nation;

(3) recognises the lowest fuel price in Australia is at Mount Warren Park which has 85% of its petrol sales being E10;

(4) acknowledges the health issues being impacted on by current makeup of petrol in Australia and recognises the Australian Medical Association’s call for a 10% mandate for health and environmental purposes;

(5) acknowledges the value of mandating ethanol in petrol to alleviate some of these health and environmental problems;

(6) acknowledges the cost of investment opportunity lost through the continued delay in the process of giving security and direction to proponents of the ethanol industry;

(7) acknowledges the value of the development of the ethanol industry to the economies of rural and regional communities as well as the national economy;

(8) acknowledges the time being eaten into the excise exemption period granted by this place to encourage investors in new ethanol projects;

(9) acknowledges that the Federal Government already mandates the makeup of petrol through its removal of lead from petrol and the reduction of sulphur in diesel and therefore can mandate the inclusion of ethanol in petrol;

(10) acknowledges that through the scaling up of the inclusion of ethanol in petrol, the developing ethanol industry will be able to supply the Australian domestic market needs without the need for importing ethanol from overseas;

(11) recognises that a 1% increase in ethanol at the rate of 350 million litres per year for 10 years is a target that the Australian industry can achieve;

(12) recognises that the Renewable Energy Target put in place by the Government in 2001 has not and will not be achieved by voluntary renewable energy targets;

(13) acknowledges the call by the NSW National Party Leader Andrew Stoner for a 10% mandate of ethanol in petrol and calls on the Federal National Party Leader Mark Vaile to support his State colleague in supporting a 10% ethanol mandate in petrol; and

(14) views the Government’s 350 million litre biofuels production target by 2010 as being grossly inadequate and no encouragement for the ethanol industry to develop.

It is time that this parliament addressed these issues of fuel security and renewable energy—

Mr McGAURAN (Gippsland—Deputy Leader of the House) (9.04 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.08 am]

(The Speaker—Hon. David Hawker)

Ayes............ 77

Noes............ 51

Majority........ 26

AYES

Abbott, A.J. Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M. Barresi, P.A.
Baldwin, R.C. Bartlett, K.J. Billson, B.F.
Question agreed to.

The SPEAKER—Order! Is the motion by the member for New England seconded?

Mr KATTER (Kennedy) (9.12 am)—I second the motion. Mr Speaker, if you can mandate—

Mr McGAURAN (Gippsland—Deputy Leader of the House) (9.13 am)—With a heavy heart and great reluctance, I move:

That the member be no longer heard.

Question put.

The House divided. [9.14 am]

(Ayes—Hon. David Hawker)

<table>
<thead>
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<th>Ayes</th>
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* denotes teller
| Hunt, G.A. | Jensen, D. |
| Johnson, M.A. | Keenan, M. |
| Kelly, D.M. | Laming, A. |
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| Macfarlane, I.E. | Markus, L. |
| May, M.A. | McArthur, S.* |
| McGauran, P.J. | Moylan, J.E. |
| Nairn, G.R. | Nelson, B.J. |
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| Tuckey, C.W. | Turnbull, M. |
| Vaile, M.A.J. | Vasta, R. |
| Wakelin, B.H. | Washer, M.J. |
| Wood, J. | |

**NOES**

| Adams, D.G.H. | Andren, P.J. |
| Bevis, A.R. | Bird, S. |
| Bowen, C. | Burke, A.E. |
| Corcoran, A.K. | Crean, S.F. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Ellis, K. |
| Emerson, C.A. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| Garrett, P. | Georganas, S. |
| George, J. | Grierson, S.J. |
| Griffith, A.P. | Hall, J.G. * |
| Hatton, M.J. | Hayes, C.P. |
| Hoare, K.J. | Irwin, J. |
| Jenkins, H.A. | Katter, R.C. |
| Kerr, D.J.C. | King, C.F. |
| Lawrence, C.M. | Livermore, K.F. |
| McMullan, R.F. | Melham, D. |
| Murphy, J.P. | O’Connor, B.P. |
| O’Connor, G.M. | Owens, J. |
| Plibersek, T. | Price, L.R.S. |
| Quick, H.V. | Ripoll, B.F. |
| Roxon, N.L. | Rudd, K.M. |
| Sawford, R.W. | Sercombe, R.C.G. |
| Snowdon, W.E. | Vamvakinou, M. |
| Wilkie, K. | Windsor, A.H.C. |

* denotes teller

**Question agreed to.**

Original question put:
That the motion (**Mr Windsor’s**) be agreed to.

The House divided. [9.17 am]

(The Speaker—Hon. David Hawker)

**AYES**

| Adams, D.G.H. | Andren, P.J. |
| Bevis, A.R. | Bird, S. |
| Bowen, C. | Burke, A.E. |
| Corcoran, A.K. | Crean, S.F. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Ellis, K. |
| Emerson, C.A. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| Garrett, P. | Georganas, S. |
| George, J. | Grierson, S.J. |
| Griffith, A.P. | Hall, J.G. * |
| Hatton, M.J. | Hayes, C.P. |
| Hoare, K.J. | Irwin, J. |
| Jenkins, H.A. | Katter, R.C. |
| Kerr, D.J.C. | King, C.F. |
| Lawrence, C.M. | Livermore, K.F. |
| McMullan, R.F. | Melham, D. |
| Murphy, J.P. | O’Connor, B.P. |
| O’Connor, G.M. | Owens, J. |
| Plibersek, T. | Price, L.R.S. |
| Quick, H.V. | Ripoll, B.F. |
| Roxon, N.L. | Rudd, K.M. |
| Sawford, R.W. | Sercombe, R.C.G. |
| Snowdon, W.E. | Vamvakinou, M. |
| Wilkie, K. | Windsor, A.H.C. |

**NOES**

| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Bailey, F.E. |
| Baird, B.G. | Baker, M. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Broadbent, R. | Brough, M.T. |
| Cadman, A.G. | Cauley, I.R. |
| Cobo, S.M. | Cobb, J.K. |
| Draper, P. | Dutton, P.C. |
| Elson, K.S. | Entsch, W.G. |
| Farmer, P.F. | Fawcett, D. |
| Forrest, J.A. * | Gambaro, T. |
| Georgiou, P. | Haase, B.W. |
Mr FORREST (Mallee) (9.21 am) — I am delighted to stand here and support the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and related bills. After a long journey of debate and discussion on the future ownership of Telstra, I am mindful of a number of things as I speak to my constituency, particularly the level of achievement I have seen this government implement in the decade plus one year that I have been associated with the parliament. I would like to take the opportunity to put some of this on the public record — to speak to my constituents and tell them how I understand their attitudes in respect of the future ownership of Telstra.

The reality is that no-one understands this. If I have 100 people in a room at a meeting and I ask them the simple question: ‘Would you like me to support the full privatisation of Telstra?’ the whole 100 will put up their hands and say, ‘No.’ But if I rephrase the question and say to them: ‘Would you like me to assiduously argue on your behalf to get a regulatory framework and a capital fund to ensure that you no longer have to wait in the Stone Age, a decade behind your city cousins, for modern telecommunications services?’ they would all earnestly say, ‘Yes, we want that. We are tired of waiting for the technology that quickly gets rolled out in the commercially viable cities and the provincial centres. We want that service out here where we are.’

Mallee is the most isolated and rural of the Victorian divisions, and telecommunications have been very much a part of the representation I have been making since I took this seat and arrived at this place. There have been quite a few iconic issues for Mallee. The principal one has been the issue of water, the nation’s most precious resource, and I have argued strongly and led my constitu-
ency against the odds on this issue. Originally, they would say to me: ‘We have a secure supply of water. Don’t change it.’ Yet we had an antiquated 100-year-old water supply system for the entire electorate wasting profligately hundreds of thousands of megalitres of water per year. Using that as an iconic project, I am proud to declare that we now have the National Water Initiative, where all of the states are cooperating with this parliament to provide the capital to upgrade the nation’s dilapidated and antiquated, although historic, water supply system.

Telecommunications has been the next major infrastructure issue on which I have argued and fought strenuously. A decade ago in mobile telephony there were three concentric circles in three locations in my constituency—one around Mildura, one around Swan Hill and one around Horsham—and nothing in the never-never in between. That technology has subsequently been switched off, albeit analog, but I would like to take some credit for the current mobile footprint across the north-west of Victoria compared with how it was then. This has been established independently of the ownership of Telstra and by the intervention of this parliament. It is impossible to argue an economic, commercial justification for telecommunications services in that isolated part of Victoria—that is the reality—but I believe it is the parliament’s role to ensure that Australians in those locations are adequately provided for, given the sizeable contribution they make to the GDP principally through agriculture and horticulture. I believe they are entitled to modern telecommunications services.

The demand has now moved on from mobile telephony—there are still a few irritating black spots in that regard, which I will talk about later—to the need for high-speed internet and broadband electronic access. Again supported by programs that I have asked for, we now have a huge number of broadband services rolled out to important townships in my community. I would like to take this opportunity to read the locations into the Hansard so that my constituents can see that this government is committed to providing them with modern services in their isolated locations. Broadband has been rolled out in the past 16 months to Beulah, Birchip, Charlton, Cohuna, Dimboola, Donald, Edenhope, Hopetoun, Jeparat, Kaniva, Kerang, Lake Boga, Lancefield—(Quorum formed) I was reading into the Hansard the success stories of broadband access being rolled out to my rural constituency, and I got as far as Lancefield. It has also been rolled out to Merbein, Mildura South, Minyip, Murtoa, Natimuk, Nyah, Ouyen, Piangil, Rainbow, Robinvale, Rupanyup, Sea Lake, Underbool, Warracknabeal, Woomeelang and Wycheproof—30 famous towns in the north-west of Victoria in the Wimmera-Mallee, with 10 more in the pipeline and more to come.

I would like to say to my constituents: ask me the right question about what your future demands are going to be. These bills enable us to provide the capital and allocate it so that north-west Victoria is future proofed and a regulatory environment is created to ensure that, whatever the demands, the future is backed up by a capital fund and those people do not miss out.

The technology fascinates me. I remember as far back as 13 years ago when, on the only occasion I have written a letter to a member of parliament, I contacted the former member for Mallee, Peter Fisher, to ask him when Swan Hill could expect to have mobile phone access. At the time there was some publicity about that and people did not understand why on earth you would want to have the use of this technology, which would interfere with your lifestyle by being that accessible—people did not want to be that
accessible. How life has changed. People now argue that access to mobile phones is a matter of life and death. Australians being as they are—great uptakers of technology when you consider our history over 100 years—what a change has been wrought in the way families think. They think about safety and security for their children. Families today own two or three and sometimes even four or five mobile phones so that the children, especially if they are away living in a big city, have the comfort of security by being able to contact parents and friends if they need to.

That demand will continue. We have already seen it with the take-up of broadband. I am immensely proud of the commercial communities that I represent for moving from a position where there was an enormous suspicion of a technology that could put them in touch with the rest of the world. Now that they can see the business opportunity to bridge the divide and the tyranny of distance, they are demanding it—and at a much higher speed and capacity that can handle the huge volumes of correspondence and information that now gets exchanged across the broad internet.

I listed those locations in my electorate because I want my community to understand they now have access to broadband. It is provided. They are the 30 principal townships of my constituency and they all now have broadband access, provided via subsidy by the government. Part of why I so enthusiastically support this suite of bills is that we have an arrangement now where we can ensure that that kind of cross-subsidisation continues to occur, coupled with a whole range of other things that I am delighted to see, such as major competition in rural locations by other telecommunications service providers, of which there are now over 100. I can remember making representations to Minister McGauran, who is at the table, when he was in the relevant portfolio, for a commercial licence to be issued to a local provider in Sunraysia. It is fantastic to see how that competition has benefited the community of Sunraysia. It has now spread to a demand for broadcasting as well as telecommunications services.

That is the kind of environment that I have always supported. It has staggered me that Australia is one of the last countries in the world that still has federal government ownership involvement in its major telecommunications provider. It is much better to have a government standing aside, without the problem of conflict of interest, so that it can exercise the tools it makes available through the regulatory environment to ensure that all Australians get access to modern telecommunications services.

The Prime Minister put it very well in this place this week, I believe, when referring to a meeting that Telstra had convened with him and the government. And I am mindful of my late father’s whole suite of sayings. I recall them often because they contain enormous wisdom. When I was a young man he said to me, ‘Son, beware the man who wears several hats.’ Of course, at the time I did not understand what that meant, but after being ripped off in business on a few occasions, being taken for granted and being extremely disappointed I now understand what conflict of interest really means—beware the man that wears several hats.

If Telstra comes and speaks to the government, the government sits there with three conflicting interests: it represents the major shareholder and therefore has to ensure a return on the dividend to the shareholder that it represents; it is the regulator and has the capacity to bring about significant pressure, which can translate into substantial sanctions, for behaviour that does not comply with the criteria of a regulation; and it has a public responsibility to ensure that all Aus-
ustralians get access to telecommunications services. There is only one way to remove that conflict, and that is for the parliament and the government that forms the majority to ensure that it is only the regulator. I am now quite comfortable with the future of a fully privatised Telstra, and I have waited patiently for the detail. The last bridge for me to cross was an adequate capital fund to be set aside and that we spend the next little while as my constituency catches up. Although there has been incredible progress made in the last two or three years with mobile telephony and broadband, I am still not comfortable that we have yet caught up—it is fairly obvious that we have not.

My electorate has a small number of irritating black spots in mobile access. I am waiting patiently for new mobile services at Koorlong and at Euston. These are both communities that represent huge capital investment and return to the GDP because they are located in the Murray Valley, and the investment that is occurring in those locations associated with the Murray Valley is just incredible. There is more and more demand for mobile access while people are down on their properties in amongst the vines and trees, ordering, selling and operating in the commercial marketplace—that is, in Robinvale, Euston and Koorlong along the Murray Valley.

I am waiting patiently for another favourite. The communities of Lalbert and Quambatook are currently served by a repeater CDMA service from Quambatook. We have learnt a lesson about repeaters: they are an effective waste of time, and Telstra now understand that. So do all the alternative providers. That site needs a fully fledged transmitter to remove that black spot. The remaining areas of irritation are at the southern Wimmera, where I am working very closely with the member for Wannon, the Speaker. The difficulty there is rolling ranges and huge gum trees. We just do not yet have the technology that can supply a mobile service to a speeding motor vehicle with intermittent interference from rolling hills and gum trees.

The reality is that there is not one person in my constituency who cannot have broadband internet access. They can do it via satellite, subsidised through our very significant HiBIS program. There is not one person in my constituency who cannot have access to mobile telephony. That can be made available via satellite, again subsidised by government programs. Things have moved on dramatically in telecommunications. I am quite excited about the future now that we have established very firm ground rules about regulation and a capital fund to continue to meet the demands that a hardworking, profitable constituency like Mallee makes.

The discussion that I have had to endure in this place staggers me. Opposition members have used all sorts of colourful poetic language about betrayal, selling out and 30 pieces of silver. The fact is that no-one has argued more strongly than I that the ownership of Telstra is not the issue. The issue has always been the delivery of modern services and the creation of an environment where rural and remote people do not have to wait and where those services will be provided within a reasonable period of time after they are provided to the more commercial locations in metropolises.

That is starting to happen now and I am thrilled. More and more, the uptake of electronic business is quite staggering. Modern farmers today have access to meteorological information, commercial information and market information, and they need it instantly and in a flexible way, right down to where they are operating their farm machinery. So I am delighted to support these bills. It has been a long journey to get to this point.
I am very proud to stand here as a strong coalitionist and government member and I am very proud of the contribution this government has made to the nation’s prosperity in the last 9½ years.

Mr ANDREN (Calare) (9.41 am)—What an absolute joke. The very week we are told via a leaked document from Telstra to the Prime Minister that Telstra is underinvested to the tune of about $3 billion over the past two to three years, we have this rushed legislation providing for a $2 billion communications fund ‘to fund the Commonwealth government’s response to any recommendations proposed by the Regional Telecommunications Independent Review Committee’. That fund will generate about $100 million a year to service the need that Telstra management itself has put at $1 billion a year for the past three years. We also have a supplementary amount of $219 million for so-called Connect Australia programs for the next year—repeated, I assume, over five years. That amount of money could be spent in country New South Wales now to address the critical infrastructure shortcomings and service demands.

Each of these bills—the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006—deserves separate and detailed examination and debate. Instead, we have the government cynically and deliberatelyconcertinaing the bills—and it will likely, no doubt, gag debate at some stage—to avoid proper scrutiny and embarrassment. I thought I had seen almost everything in the executive’s abuse of parliamentary and democratic procedures, but now we have a Senate inquiry into this most vital of rural issues with just one day provided for deliberation.

The leaked briefing from Telstra to the Prime Minister reveals a disgraceful neglect of service delivery to rural and regional Australia by Telstra and this government and a cover-up of monumental proportions. It is insider trading and a failure of corporate governance. The majority shareholder, represented by the Prime Minister, got a briefing, but not the other private shareholders or the public. The government has been deliberately deceiving Australians about the true state of the telecommunications network to boost Telstra’s market value. That tactic has now come crashing down around the government’s ears. I have been saying for a decade that the Telstra network is severely underfunded, and it has taken a non-compliant apolitical appointment from overseas to tell it as it is.

The people of Australia owe the Telstra management of vote of thanks. The Prime Minister, his Minister for Communications, Information Technology and the Arts, Senator Coonan, and the leadership of the National Party should be the ones in the dock, not Telstra. While ASIC looks at Telstra’s use of reserves to fund dividends and while the stock exchange examines Telstra management’s talking down of Telstra’s share price to what appear to be realistic levels, so too should ASIC and the stock exchange examine the Prime Minister and his minister’s role in urging up the price of Telstra’s shares. As the Australian Financial Review said:

Just when you thought the Telstra farce could not sink any lower, along comes the Prime Minister urging the carrier’s new American management to flout the Corporations Act.

The paper went on:

... the Prime Minister showed a dismaying ignorance of securities laws passed during his parliamentary career when he said the “obligation of
senior executives of Telstra is to talk up the company’s interests, not to talk them down”.

Elsewhere, economics editor Alan Mitchell said: ‘The less onerous the regulation of Telstra, the more profitable Telstra will be in the future and the more the government will get for its shares.’

Country people take note: these bills, then, are not about proper funding and effective regulation to ensure equal and adequate services. They are about a policy advantaging a privatised Telstra, which says government has no active role in the economy except through favours. They are part of an ideology that says the market will deliver all. It cannot and will not, because the vast majority of rural Australia simply does not provide the critical mass required to provide a competitive market. These bills reveal the veneer of concern for rural people from the Liberals and particularly their partner, The Nationals. What good has regulation of the banks meant to rural Australia? Does Qantas fly to Cowra?

The minister, in his second reading speech on the future-proofing bill, is basically perpetuating the myth contained in The Nationals’ think tank Page report that competition fixes everything. His opening remarks imply that a robust, competitive, communications environment will deliver on the government’s promises of first-class regional telecommunications services. As I pointed out, this has not been the case to date. Competitive pressures have only delivered in viable markets. Even in Canberra, Telstra crow about the fact that they have spent $40 million in 12 months. That is actually a modest spend, because — and only because — they are competing in a viable city of 200,000 people. In my electorate, in major towns such as Orange and Bathurst, Telstra cannot get broadband to large numbers of constituents because the infrastructure is old and heavily overloaded. In Calare and elsewhere in rural Australia there are exchanges which cannot even provide ISDN, which gives an internet speed still well below that of broadband, which would help some people at least to have a usable speed. My understanding is that there are close to 1,000 such exchanges still not capable of supplying this most basic service. Some can supply only four ISDN services, and after that it is all over.

An indication of the government’s complete lack of understanding of the future of telecommunications is the constant assertion, ‘Don’t worry; if you can’t be connected on cable, we’ll subsidise satellite.’ This is the subsidised HiBIS two-way satellite option — and I wish the member for Mallee was still here to hear. The reality of voice communications is that it is moving to voice over the internet, which is extremely cheap to access for the consumer on ADSL services. Note this: the government’s future-proofing policy simply has not caught up to the fact that voice over the internet on satellite is just not practicable. There is an enormous delay in transmission. It is fine to download information, but voice calls just will not work, and there is no way around it. Hence, the minister’s undertaking to provide broadband over satellite demonstrates his and the government’s complete lack of understanding of where the future is going. If you do not understand the future, how are we supposed to trust any future proofing?

The minister talks about reviews of adequate services but not adequate services per se. He speaks about industry codes, but this government’s record with the USO funding has hardly been the thing you would want to commit your future to, has it? Even when the umpire, under Senator Alston, declared the USO to be valued at $650 million, the then minister decided, ‘$250 million’s okay. It’ll satisfy the other players in the market.’ So, while the Prime Minister might posture about what current senior managers in Tel-
stra say about share values, the government has in fact subsidised their competitors, hardly helping shareholder value or the regional consumer, I would have thought.

On the matter of Telstra board members, we are to have two to represent regional Australia. In Telstra Country Wide, we already have an advisory board with country representation. All this is window-dressing and does not mean that there will be adequate funding for the critical work that needs to be done. Dogs without teeth are as useful as advisory boards without capital. In the same vein, the minister talks about legislating Telstra Country Wide to have a continuing country presence. Once again, despite Telstra Country Wide having overworked and dedicated staff, a shopfront or office does not mean that there is money available to fix the network. This has been patently obvious over the last several years. If you would like some proof, talk to some constituents in the electorates of Parkes or Gwydir and in some of the Queensland electorates about wireless local loop and how there is no money or resolve to fix the problems.

The minister asserts that these arrangements provide a high degree of certainty. Thank you, but that is not a guarantee, so the government is effectively off the hook in terms of responsibility. Not one Australian will find that statement reassuring. A three-year review period, in an industry which self-reviews investment and technology decisions every six months, is an indication of how out of touch the minister and the government are with reality. After the three-year review, will our communities wait another three years for their needs to be funded? It would be quicker to drive to the major town and do your business.

With all this talk of money to fix things, there is still a major shortage of staff to fulfil the most basic tasks. Many staff have been retrenched over the years, and the available skill is inadequate to do the job at hand. Telstra will tell you that they recently put on 300 new trainees. They did not, actually; Skilled Engineering put on 300 people, who subcontract to Telstra. There is no agreement between these trainees and Telstra. At the end of 12 months, they could all be gone.

In my electorate, as in several others in country areas, Telstra has a call centre. This centre employs 160 people, many of them young people. Other carriers have closed call centres and sent the work offshore because it is cheaper. In a highly competitive environment, Telstra will have to do the same thing and will be battling to find work for these young rural people, many with families, who are a big component of the future of our communities. So much for competition. We will not be able to tell Telstra to continue with activities which make them uncompetitive. The days of telling them, for example, to support Lifeline will be gone, just like insisting they keep their call centres in regional Australia.

As I have suspected for a decade, and a now independent Telstra management has confirmed, Telstra has only oiled the squeaky wheels over the past seven to eight years as it has shed staff and fattened the calf in preparation for this betrayal. Yes, member for Mallee, it is a betrayal of the wishes of three-quarters of all Australians and well over 90 per cent of rural Australians. Senior Telstra executives informed me seven years ago that they had to rediscover and remap the Telstra network in the central west. The corporate telecom memory had been lost as staff were retrenched. Not only that, but substantial and sustained investment would be necessary to bring the network up to the standard required to service the new technology demand.

In fact, due to my work and the massive concerns coming through my office from all
over my electorate and, indeed, the country—because The Nationals did not want to know about it—investment in Calare alone was lifted to $24 million from a budget of $8 million. Can you believe it—$8 million for a 50,000 square kilometre part of rural Australia, including the major centres of Lithgow, Orange, Bathurst, Cowra, Parkes, Forbes and all the towns and villages and rural customers in between? As it turned out, and as I suspected, even that $24 million was way short of the amount required to begin to do the job.

Under this government’s watch, Telstra has been allowed to act exactly as it would when fully privatised, yet we hear of regulatory controls under a privatised model. It has cut back on investment in order to maximise profit, with government knowledge. It is the classic story around the world of privatised utilities: the Auckland and Californian power supply disasters, the British Rail catastrophe in both a management and a safety sense—running down infrastructure to maximise returns.

This government and this Prime Minister have been prepared to say whatever it takes, it seems, to boost Telstra’s market appeal. Now the Prime Minister has the temerity to attack the messenger who dared to say that the Telstra network is in a parlous state, that it will take a huge commitment and huge investment over many years to deliver quality of service to all Australia and that going into reserves is an unsustainable way of even beginning to do it. It is a job a privatised market cannot and will not undertake.

By way of example, a Telstra customer at Mandurama, south of Orange, suffered sustained drop-outs of his service on the 100-year-old copper line. Time and time again, it dropped out. He walked to the top of a hill above the farm to call for help on his mobile—the only way of getting a connection. After much frustration, the service had to be upgraded; it was beyond repair. A new line was laid at a cost of $240,000 for one customer. I can hear the clatter now of the hooves of the cavalry from Australia’s 100 private telcos, including a privatised Telstra, rushing to spend that sort of money to service the needs of one customer.

There has been a lot of debate in the media over Telstra’s three amigos having the temerity to tell things like they are. It may surprise a largely compliant, pro-privatisation city media that in fact Telstra let the cat out of the bag at the Senate inquiry in November 2003, when it admitted that it would take 15 years to upgrade its century-old copper network and that ADSL services were extracting the last available revenue out of an ageing network. I know, Telstra knows, the government knows and, most of all, rural and regional Australians know how squeezed the network is. They know how pair gains or shared connection devices are hanging off the network like Cinderella’s hair curlers, how the new RIM technology roll-out is years behind schedule, how it would take half a million dollars to broadband enable one subdivision—the Rosewood Estate in Orange. That subdivision, by the way, is a dozen years old. That begs the question: what sort of technology will we have in another dozen years and what will it cost then to enable country estates, villages, households and so on? A billion dollars over five years and $100 million a year will not scratch the surface.

Yet we have heard the Prime Minister, his ministers and, most seriously, the so-called representatives of rural Australia, The Nationals, running around suggesting the network is up to scratch—that nebulous term which became a yardstick to measure absolutely nothing about the network. But it did measure one thing: a sustained and deliberately deceptive propaganda flow from a gov-
ernment desperate to rid itself of a responsibility—the provision of adequate and equitable telecommunications to all Australians wherever they live.

This week I have provided senators with details of my latest Telstra survey of the Calare electorate. There were almost 2,400 responses, with 95 per cent totally opposed to full privatisation. These people, like all rural Australians, know that any advances in telecommunications in recent years have come by virtue of their yelling long and loud—for many years through my office alone—and that the establishment of CDMA and the upgrading of some exchanges came only through that lobbying.

The government will blame Labor for the mobile fiasco. They are right. But they agreed to a system that said: ‘We’ll supply 90 per cent of the market,’ and that was never to be 90 per cent of the geography; it was only 15 per cent of the geography. Therein lies the problem with the thin spread of population in this country. It is the unique nature of the geography of this country that is the absolute reason why we should retain public ownership.

It is a nonsense that we are the only one left with a publicly-owned telco: many Western democracies retain a substantial public shareholding in at least one telco. So do not let me hear anything of that. The upgrades we have achieved at Hill End and Sofala for CDMA still have frustrating problems. CDMA is a wholly less than adequate replacement for analog. My survey shows that since the last one in 2002 an increasing number of people have problems—10 per cent up on landline problems; 14 per cent up on mobile problems; 32 per cent up on internet problems.

As I pointed out, the HiBIS two-way satellite is a dud when it comes to voice over internet, which is a technology other Australians will enjoy but which, importantly, will cut into fixed line rental and price revenues for all telcos, further reducing the will of any telco to invest in unprofitable areas and increasing the likelihood of higher charges in unprofitable areas. The $3 billion to be provided over a long period by these bills is an amount that should have been in the system years ago. We are in fact not offering one extra dollar for future proofing with these bills.

This is the retrofit that should have been, not a future fund. Any network upgrades should be financed by a properly financed universal service obligation fund, which represents the true cost of maintaining the national basic landline and pay network—a standard obviously out of date anyway. It is not a conflict of interest to publicly own and run Telstra. As I have said, in other Western democracies it is a fact of life. In this country, with its unique geography, we must maintain that public ownership. The people of rural Australia have had confirmed in the past few days what they have suspected all along: they have been conned by the government, and prior to that by a Labor government that said no to privatisation and headed down that path.

Finally, the member for Herbert has been getting some press on his statement that he has not had a Telstra complaint in five years. I will tell you what: he must be a comedian. I know he had a career in television once. I simply say that it is an incredible statement, and I will be finding out the real facts about that. The coalition has taken rural Australia for granted, and this deceit is the final straw. People do not trust Labor and they do not trust the coalition. They will be seeking alternative representation at the first available opportunity.

Mr WAKELIN (Grey) (10.01 am)—So no-one can be trusted but the Independents.
Mr Andren—Yes.

Mr WAKELIN—And it was interesting to hear the contribution from the member for Calare. In responding to a few general points on the Prime Minister and the issue of Telstra and flouting corporate law, what a lot of nonsense. The Prime Minister has responded to all of that. As I listened to this debate over the last few days, I thought about how easy it is to create a sometimes malicious story, and how easy it is to create a lot of false leads in a much more fundamental debate about the future of telecommunications in Australia.

Future proofing and the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 is very much about laying the foundation for our economy. Let us look at the universal service obligation. The member for Calare said that $650 million was dismissed by this government. My recollection is that an $800 million request from Telstra was dismissed by this government, and that the USO is still very much part of our telecommunications system. The great thing about having 100-plus telecommunications companies out there is that many of them are gradually developing the capacity to run the universal service obligation.

It is difficult to look over the hill and make intelligent investment decisions on broadband, the new technology and the future, because this is such a dynamic industry. It is essential to the debate to acknowledge the immediate history. In my relatively short time in this place, there have been five elections at which the privatisation of Telstra has been the top-of-mind issue. So it is not as though the Australian people did not know what this government had in mind. If we are so convinced that public ownership—that is, government ownership, taxpayer ownership—is the future of this country, why isn’t our food distribution owned by the government? It is as fundamental as that.

Private enterprise is the cornerstone of our economy. The response of the government since 1996 is that $1 billion has been put into regional and rural telecommunications. As far as the Labor Party goes, we should never forget that Kim Beazley, as the Minister for Transport and Communications in 1991, effectively privatised Telstra when he made it a corporation. Labor made Telstra a corporation, under the corporate law—and I note the Labor spokesman at the table. Have a look at how Telstra has to operate. It is a fundamental fact that Labor effectively privatised Telstra in 1991, along with the Commonwealth Bank and Qantas.

Let us understand that board decisions determine how Telstra will be run, not government decisions. If the Labor Party can show me one decision that the board took that it influenced since 1991, maybe I can listen to the Labor Party in this debate. If the Labor Party has influenced one decision of Telstra’s since 1991, maybe they did not privatise it in effect at that time. But I know of no such decision. The fundamental difference in regional telecommunications investment in my electorate is the investment of taxpayer money in partnership with Telstra and other telecommunications companies, but mainly with Telstra.

In the heat of this debate we can denigrate Telstra, we can denigrate each other and we can ignore the national economy and the telecommunications sector’s role in it. We can talk about the individual that had $240,000 spent on his or her service and we can talk about economic disaster in an economy that is the envy of the world. We can talk about economic disaster when we know that unemployment is at record, historic lows. So why don’t we just come back to the basics? We live in a time when telecommunications
offer much opportunity, whatever your philosophical belief about public or private ownership. We have come a long way. If you compare us to other countries in the world, yes, we have a long way to go. I note that the Republic of South Korea is at the top of the pole in terms of world penetration of its technology, particularly broadband. Australia is sitting at about No. 20.

We can trash ourselves by saying how bad it all is, but we can also acknowledge the progress that has been made. I stand here today as a fundamental supporter, based on the best democratic tradition after five elections. I have no argument whatsoever with the government's decision to privatise Telstra under the terms that are being proposed for that privatisation. And let us remember there is no rush to go to the market.

Mr Windsor—Why are we rushing this through then, if we are in no rush to go to the market?

Mr WAKELIN—So we can give the Independents a chance to get it off their chests. As for the wonderful poll of the member for Calare, I do not call 2,400 people out of 80,000 a majority. He made a comment about the member for Herbert—about there being no problem with telecommunications in his electorate. I did not hear the member for Herbert, but I challenge anyone in this House and in the other place to say whether they have had any problems with their phones in the last 12 months or 10 years. How many of you have actually had a problem?

Mr Windsor—I have.

Mr WAKELIN—I, fortunately, have not. In terms of our line, eight-gauge fencing wire was put in by my father. I understand that phones sometimes do not work. The only time—I confess that I tell a slight mistruth—I did have a problem, it was created by me. I put a post-hole digger through the cable at one point. I did not even know about it. My neighbour advised me that his phone no longer worked, and I said, 'I think I know the problem.' And by the way, I fixed it up myself. It was not that hard—there is colour coding. Do not tell the unions about this, please.

Can I say to members, in the spirit of this debate, that we are in a position to go forward with our $3 billion: the $2 billion in the future-proofing fund and the $1.1 billion in the immediate four- to five-year period. There is also money in the HiBIS program that has not yet been expended. In terms of the broadband, the money in the old program has not even been spent. Let us challenge the Labor Party once more, as the well-known senator from Queensland did last night by challenging Senator Conroy. What are Labor going to do about this? Are they going to buy back the remaining 49 per cent? Are they just going to sit on the opposition benches and carp?

Mr Brough—Yes, no doubt.

Mr WAKELIN—Thank you. Can’t the opposition at least be creative enough to give us a decent option? Come on! People are interested in telephone services; they are not interested in carping and going backwards and forwards. I ask the member for New England: will there be investment to buy it back? Never. They would never buy it back, for a whole range of reasons. They know that this economy is based on absolutely sound management. Since 1996, the absolute commitment from the executive of this government to bring this country to world best has been something that, from my own experience, I would not have believed until I saw it.

This is about improving our economy. So let us go back to Labor. Labor want to come into the debate—I really welcome their participation. But I have not heard anything
from them yet that is going to convince many Australians. I call the member for Melbourne ‘the member for the PMG’—he wants to go back that far. It is fascinating to hear his courageous little story criticising the PM and the National Party, yet Labor offer absolutely nothing. You just offer carping and negativity, as do the Independents. It gives them a platform to justify their position to their electorates. But I tell the member for New England that the government does not have that luxury.

If the Labor Party is not going to buy back the old half of Telstra, it is not going to sell the existing half and—this is the key point for regional Australia—it is not going to put in that $4 billion of taxpayers’ money, then let us do the sums. We think it is $3.1 billion, but it was never committed to the previous $1 billion, so it is $4 billion. You would not spend one cent on regional Australia, and we know it, because you criticise the regional telecommunications infrastructure fund. Senator Schacht and others might call it a ‘shanky ho’—is that it? No, that is not the right term. I am sorry. I retract that, Mr Deputy Speaker. We will call that—

Mr Brough—A boondoggle.

Mr WAKELIN—A boondoggle! This new terminology is beating me. I could do some interpretation of that, but I will not go any further down that track. Labor’s contribution to this debate is a really sad effort. If it is not prepared to put up any money, it is not prepared to buy Telstra back and it is not prepared to sell the other half, then it is just using the classic cheapjack-opportunism that it is all too fond of. *(Quorum formed)* To sum up the basic and associated issues regarding Telstra’s sale, as I have said, Telstra has been operating effectively as a private company since 1991 when Labor made it a corporation. The economic benefits which flow from a new telecommunications industry are worth far more to the economy in terms of tax revenue than any alleged shortfall in dividend. As I said earlier, if a government owned business is the most effective way to run the country, why don’t we run the whole country with the government owning the whole thing?

In terms of protection against market failure and inadequate service, effective regulation and transfer of taxpayers’ subsidy to efficient telecommunications operators is the way to go, and we are doing that. I am grateful to the Minister for Communications, Information Technology and the Arts and the executive for the way they have approached this issue. It is not an easy issue—it has wholly encompassed us over these last few months. We should never forget that we have been to the people five times—certainly over the five elections I have been involved with—and for four of those it has been front of mind. It is not as though there is some breach of a democratic process here. There is no doubt in my mind that there would be very great demands upon any government, of whatever colour, to make sure that fairness prevails, regardless of the market failure that may occur at any given time. There is a challenge for Telstra, in terms of regulation, to show how regulation is impeding them. As a federal member, I would invite Telstra to explain to me why they believe they are disadvantaged, such that they believe they are seriously impeded.

I conclude by saying I acknowledge Telstra’s heritage as part of our nation. It came out of the PMG, and it has adapted relatively well to this exciting technology over the last 20 years. It gives us this truly national approach. However, I think there is significant room for improvement—not in the way we have discussed over the last few days but based on its own culture. With those few words, I welcome the legislation and wish it a speedy passage.
The DEPUTY SPEAKER (Mr Jenkins)—Before giving the call to the member for New England, I would like to make two observations. It is not usual for the chair to critique a contribution of a member but, to improve the member’s street creds, he might make a study of contemporary language. The chair thanks the member for his corrections in the course of this debate. Whilst it is not in order for the chair necessarily to make advisory rulings, I am sure that the privilege that attracts to his contribution will protect him from any action that might be taken regarding any admissions he has made of any illegals.

Mr WINDSOR (New England) (10.22 am)—I could not agree more with what you have said, Mr Deputy Speaker. If the member for Grey would just stay for a moment, I would appreciate it. He demonstrated a number of things and, most of all, he demonstrated what is going to happen to country people in relation to this sale. They are going to have to become very self-reliant. They are going to have to develop skills such as digging post holes, as the member for Grey spoke about. They are going to have to be able to fix their own lines, as the member for Grey has been capable of doing. I think he demonstrates probably more than anybody else that, with the pull-away of services that will be a natural impact of full privatisation, individuals in the country are going to have to look after themselves a lot more.

He also made another very pertinent point that I appreciated. He made the comment that no-one can be trusted but the Independents. I think that is a very honest statement and one that has obviously come from the heart of the member for Grey. I happened to spend some time recently in the member for Grey’s electorate. It is a very nice electorate. I spent some time in the RTC, the rural trans-action centre, in Marree, saw some photos of the member for Grey and discussed some of the telecommunications issues—

Mr Andrew—Was he digging a hole?

Mr WINDSOR—No, he was not digging a hole. I think he was digging one today, though! I spoke to some of his constituents about the issues of concern in relation to telecommunications. That was as part of a 10,000-kilometre drive I engaged in for a number of reasons, one of which was to get an indication of mobile services across various parts of Australia. I have possibly the best car kit aerial arrangement that Telstra Country Wide can provide, and I do not mean this in any derogatory way, but I would have to say that the electorate of Grey, out of all of the electorates that I travelled through, had the worst mobile service of any of those electorates. Obviously we can debate where I went, but I did spend quite some time on the major highway below Alice Springs, where the reception is very patchy and is only around the small service stations and villages, through the Flinders, Marree and that general area. The member for Grey’s electorate was by far the worst. In fact, out of the 10,000 kilometres, there was mobile reception for 1,800 kilometres.

Many people have spoken in this House about this service, saying: ‘Everything’s okay now. We’re looking to the future. We’re future-proofing things.’ I think suggesting that that service is up to scratch is an absurd suggestion to make to people. People out there know what is going on. That is why so many country people in particular, but urban people as well, are concerned about what will happen upon the sale. The member for Calare spoke about $240,000 to remediate the problems of one customer, and he gave a fairly colourful description of how all these private companies would be charging down the lane to provide that service to that individual. The people of Lightning Ridge and
many people in the small villages and centres in my electorate know what will come out of the charade that we are going through at the moment.

I would particularly like to congratulate the member for Calare. I am pleased that he is in the chamber at the moment because, above all the people in this parliament, he has demonstrated what the political process can actually do in terms of driving the debate. Since his time in this parliament began, he has demonstrated by his actions why we need the political process to be part of telecommunications into the future. In my mind, through his agitation and genuine appreciation of those issues, the member for Calare is the reason that we have a Telstra Country Wide. I have never criticised Telstra Country Wide as others have; I have always said that they are underresourced. I congratulate my Telstra Country Wide people for the work that they do. I think the electorate of New England had more mobile towers constructed in the last term of parliament than any other single electorate in Australia—but that is not to say that it is up to scratch. Those people have worked very hard with the resources that they have been allocated. Many of them—the technicians et cetera—will say privately that the task in front of them is enormous and has to be funded appropriately.

I think the new CEO and his amigo friends have indicated that to the parliament, the government and the general public. And I congratulate them; I do not condemn them. I think they have told the truth. I think previous administrations, both at government level and at Telstra level, have hidden the truth from the community. People know the truth in relation to this particular issue. They are aware of what is going on.

The bills before the parliament—the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005—allow for the full privatisation of Telstra. I am very disappointed, particularly in the National Party for the deal that they have done. Yesterday in this parliament I actually called it hush money, because it has become quite apparent in the last few days that the Leader of the National Party knew what was in that document from CEO Sol Trujillo. He knew that there had been a massive underspend on infrastructure and that it was not up to scratch. Yet, a few days after that, he appeared with Paul Bongiorno on the Meet the Press program on a Sunday morning, a week or so ago, and made the comment, ‘I will listen to experts on this. I’m more than happy to listen to the experts in terms of the infrastructure and the condition’—as we all would be.

Senator Joyce, the National Party folk hero for a fortnight, made similar comments that he was not an expert in telecommunications but would listen to the experts and take their advice. They were getting that advice privately from the experts and from the CEO of this company, who had identified the problems, who had gone to government, who had looked at the future, who had looked at the infrastructure and identified some of the needs that are out there. These people knew what was going on, yet they met in their little joint party room and decided to sell it. The language that Senator Joyce used during that period of time—how he would listen to the people, how he would take it on board, how he would not sell Telstra unless it was up to scratch and unless services were adequate for country people, how he would not let them down—was all nonsense. He knew it was not up to scratch, yet he was prepared to sell
them out. The member for Parkes made the comment—and this is an example of the sorts of lies we have been told:

All National Party MPs—

this is a quote from John Cobb in October 2003—

The DEPUTY SPEAKER (Mr Lindsay)—Order! The member for New England will withdraw any reference to lies.

Mr WINDSOR—Mr Deputy Speaker, I withdraw the comment, but I think people will draw their own inferences in relation to the quote that I am about to read, and Mr Cobb would not deny the quote.

The DEPUTY SPEAKER—I thank the member for New England.

Mr WINDSOR—John Cobb commented on 2 October 2003:

All National Party MPs have maintained a very clear line on the privatisation of Telstra. No sale, unless all 39 recommendations in the Estens Report are met and honoured in full. Then, and only then, will we offer full support for the final sale of the remaining government portion of the telco.

At the top it says:

Federal Member for Parkes
John Cobb MP

What a principled statement that was, when he knew before they went into the party room last week to make the final decision about the document that the CEO had provided to the government stating that it was not up to scratch. It was not anywhere near it. There were massive underspends in infrastructure requirements across many parts of the system and there was a requirement for the future of the system as well that the deal was done. None of them has lorded it in here. None of them has come in and said, ‘This is a great deal that we in the National Party have carved out.’

Let us look at the deal that was done. The future proofing is $100 million a year. The Leader of the National Party concluded that, from the $2 billion that is being put in the Future Fund, $100 million would be available to spend each year. A hundred million dollars is a lot of money. It is $25 million less than the government has been spending in the last eight years. The Minister for Communications, Information Technology and the Arts, Senator Coonan, has admitted—and I have the documents here somewhere—that since 1997 $1 billion has been spent on the system. In that time the government, through sales and dividends, has received $57 billion. My mathematics tells me that about 1.7 per cent of the cash flow has actually gone back into the system by way of government assistance. Nonetheless, the minister says that there has been a billion dollars. If you do the mathematics on that, that has been at the rate of $125 million a year. The National Party are delighted that they have carved out a deal which gives them $25 million a year less. Is it any wonder that those in the Liberal Party are laughing their heads off at this so-called deal—$25 million less—when the experts have recognised the massive underspend and the National Party have been prepared to walk away and allow the Liberal Party to do that to them?

The other portion of this deal was an immediate injection of $1 billion into the system, essentially to fix broadband across the nation. That has been identified by the Telstra administration, as well as the business documents that are being examined at this very moment, as being insufficient. Telstra identified a $5.7 billion underspend. They would be able to put some money in, but they would require some government money. So, as for this ‘We won’t do anything until it’s up to scratch’ that we have been told about for many years now, on my calculations it will be 40 years, if there has been a $5 billion underspend, at the rate of $1 bil-
lion down and $100 million a year before we are up to scratch, up to where we should be in 2005. The Leader of the Opposition had a mathematical equation the other day just based on the $2.6 billion that the CEO of Telstra went to the government with—it is now being investigated—and concluded that the Prime Minister would be 82, 16 years time, when that portion of the network was brought up to scratch. Look back 16 years and see what technology has done.

I am not one of those who say that the government has not done a good job. In fact, when every government member comes in here and says, ‘We’ve worked hard,’ I congratulate them. But I would rather see those people be players in the advancement of the infrastructure, because all the very same problems that the member for Calare spoke about will rear their heads and some form of government involvement, not just a regulatory arrangement, will be needed. We know very well that under our Constitution those regulations can be changed. No government can bind a future government to anything, let alone 40 years to bring telecommunications up to scratch, up to where they should have been in 2005.

There is no auditing process in these bills. There is no transparency to say where this $1 billion is actually going and when it will be spent. You may remember, Mr Deputy Speaker, that on the first day of the announcement the $1 billion was to remediate immediate needs. Now we are told it will be $250 million over four years. That is past the next election. There is no guarantee that that money will ever be spent. There is no guarantee in these bills that the money trail will be followed. It could be money that was going to be spent anyway. The deal that has been carved out is nothing but hush money because they knew that the infrastructure was not up to scratch before the government members went into that room and finally decided to sell Telstra.

We have had an interesting morning. On AM this morning some new language came into the Telstra debate. Now that we are ‘up to scratch’, we are going to go ‘down the track’. Senator Minchin, talking about the money that the Telstra CEO said was required to fix up the massive underspend and look to the future, said that is money that is going to be spent down the track—apparently. We just place our faith in those sorts of phrases. I am sure that country people will be absolutely delighted to hear that.

The member for Calare has said on many occasions that there is government ownership of telcos in many of the developed countries. In fact, the better telcos in terms of broadband and other services to their communities—admittedly in countries with larger populations and smaller landmasses—are providing the best services. They are far better than we have here even though we have made a lot of progress. That says to me that, with 20 million people and a landmass of this size, we really do need to preserve a situation in which the political process has an impact on the development of infrastructure. If it were left to private enterprise, would the railway have gone from Alice Springs to Darwin? The member for Grey commented that private enterprise will deliver. Why not sell the roads? You could not sell the roads because no-one would want to buy them. They would not make any money out of them because we have a low population base. In a nation of this magnitude, there will always have to be some degree of cross-subsidisation of services. That is what governments should really be about. No-one is opposed to efficiency in the delivery of services, but we should not just sell them out for some sort of short-term gain or political ideology.
This is the most important piece of infrastructure that we as a nation are going to require for this century. Irrespective of who is in government, there is going to be a real need for real government involvement in providing that infrastructure. If we want to be globally competitive, as from time to time we all say we do, we will have to make sure that people in agriculture and in country communities have access to telecommunications services at similar rates and of a similar quality as those of their city cousins. We might not be able to get to Korea’s level tomorrow, but we should have a goal to achieve that for all of us. As I have said many times, this is the very piece of infrastructure that negates distance as a disadvantage for country people. The National Party in particular—but other country members as well—should not sell out for this amount of money when they know how important it is going to be for our future if we remove the capacity of government to influence the delivery of services. They know that a fully privatised operation—possibly partly foreign owned if the Prime Minister gets his way and relaxes the foreign investment rules to sell it—will not be concerned about people who live in country Australia. The political consequences of that will not be forgotten by me and the more than 80 per cent of country Australia who believe that they have been sold out. They have required the government to maintain an interest in Telstra.

Mr NEVILLE (Hinkler) (10.42 am)—It will be no surprise to the House that I have very strong views on communications, be they broadcast communications or telecommunications. In a country as large as Australia—a continent the size of the United States with a population located largely around the coastal rim and, to varying degrees, scattered into the inland—telecommunications always was and always will be a challenge, especially with a population of 20 million or 21 million people. I have always had a profound interest in telecommunications and broadcast communications and what can be achieved. I have never been held by an ideology that Telstra had to be held in government ownership. It has always amused me that the very people who want to retain Telstra in government ownership are its most ardent critics.

Mr Windsor—That’s not right.

Mr NEVILLE—It is right. A love-hate relationship exists around Telstra. Every country requires a good telecommunications system. There is an obligation on government to make sure that people are connected to a network and can participate in modern telecommunications. In fact, that was the genesis of the PMG. Because we did not have in this country private companies with the gravitas to indulge in telecommunications in the early days of telephone services, the government extended the postal service to include telecommunications.

We saw the development of that in the seventies and eighties, moving to what became known as Telecom. But that Telstra would need to act in a commercial manner came about when the die was cast in the early nineties by the then Minister for Transport and Communications, the current Leader of the Opposition, Mr Beazley. When it was decided to do that the die was cast. If Telstra was going to operate commercially, then it had to be responsible for its balance sheet, it had to be responsible for forward planning, it had to be responsible for the roll out of new services and it had to be responsible in a corporate sense to its shareholder ministers, regardless of what party they were in. What we are seeing now is just the culmination of that.

There have been a lot of fulsome and extravagant claims made by the opposition in this debate—as if they would never sell Tel-
stra, this great Australian icon. That is palpable nonsense, and they know it. Over the time of the previous government, 14 major Australian corporations were sold. The Australian public was told that the Commonwealth Bank would not be sold, and it was. The Australian public was told that Qantas would not be sold, and it was, and the Commonwealth Serum Laboratories—and I could trail on through the whole lot of them. There is no reason to believe, on the form of that party, that it would not have sold Telstra.

Mr Griffin—For 13 years we did not sell Telstra.

The DEPUTY SPEAKER (Mr Lindsay)—Order! The member for Bruce has had a fair go.

Mr NEVILLE—Indeed, questions were asked of Treasury—it is all on the record; the honourable member at the table knows it is true—by the Labor Party about the sale of Telstra. Mr Beazley and the then Prime Minister, Mr Keating, even went and spoke to BHP about the possibility of buying Telstra. There is absolutely no doubt that if Labor were in power they would have sold Telstra. In fact, if they had intended not to go down that track, they would not have gone to the trouble of corporatising it in the early nineties.

I come to this debate with clean hands. I remember very clearly the genesis of all this. I remember the stand I took in my own party room. I remember that on the day I took that stand one of my colleagues—who has been very fulsome in the defence of their position—and another who is in the House at this moment made no comment about that at all. I was the sole person who stood their ground in that party room. I said that the sale of Telstra should not move beyond 49.9 per cent until certain things had happened.

About that time, in Bundaberg, the central council of the National Party met. I crafted a resolution that set down the minimum requirements for the National Party to agree to the further selling down of Telstra. They were things such as the removal of the pastoral call; a program to extend the mobile digital phone service network to the boundaries of the existing analog service and to facilitate the roll out of digital mobile phone services to the remaining six per cent of rural Australia; a program of ISDN facilities or alternative data-friendly technology—and we have that now in ADSL—to rural Australians except in the most inaccessible locations, and there we have satellite communications; an unequivocal contractual obligation ensuring, as a minimum requirement, free-to-air public and commercial TV broadcasts provided on high definition digital television transmissions—again, achieved; an inquiry into the ability of provincial free-to-air television networks to provide high definition television, which resulted in special concessions being made to country television stations to install digital television; a definitive timetable to fill the existing blind spots in free-to-air television coverage in rural Australia, and from that we have the black spots television program across this country; and the extension of two commercial services to existing remote satellite area transmission services, which has also been achieved.

The National Party, while broadly supporting the retirement of debt as a consequence of the sale of public infrastructure, see it as appropriate and timely that funds from the part sale of Telstra be reinvested in new communications infrastructure ensuring that all Australians have equity and quality of life as a result of the new technology. They are seven very important points that were achieved for regional Australia. I often wonder, if we had gone along the way the Labor Party had been taking us up to that point, whether indeed we would have got any further ahead. The shadow minister at the table,
the member for Bruce, has said, ‘We would never have sold Telstra.’ The Leader of the Opposition even had the gall to tell us that he went along with Mr Keating to put a bit of a brake on him. Does anyone in this chamber today seriously believe that Kim Beazley would have gone along as a lapdog to put a bit of a brake on the Prime Minister of the day? Absolutely not.

During the nine years we have been in office and during their 13 years in office when did the Labor Party ever articulate a vision for new technologies for rural and regional Australia? In fact, their knowledge and grasp of the new technologies was so immature that they agreed and contracted to turn off the analog network before they had a new technology in place. That is almost mind-boggling in a country like Australia. They walk around now with their hands on their hearts saying, ‘We care about regional Australia and the dire things that will happen.’ But they happened in their days in office, not by default but by their own hand.

What have we seen since? The Leader of the Opposition in the previous election campaign raced around with the Beazley pledge. It was accepted in the country as the joke it was. More recently, he came through Central Queensland with another corflute: ‘Paul Neville and Barnaby Joyce have hung up on you’. Whoop-de-do! The Leader of the Opposition stood in an empty phone box in Gladstone to make his point—an empty phone box that had been closed for three years. I make a very big point of never letting a phone box in my electorate close where there is a case for keeping it open. Telstra know me and they know me well. I have had removed phone boxes replaced in three days. They do not play games with me with phone boxes. I can rattle them off: Tipperary Flat, Mount Morgan, Ubobo, Mount Larcom, Turkey Beach. Interestingly, for this particular phone box at Glen Eden in Gladstone, I never received a complaint in my two offices at Bundaberg and Gladstone. I checked with the regional manager of Telstra Country Wide and she had never received a complaint. Even more interesting still is the fact that, even after the Leader of the Opposition—this great defender of the icon of Telstra—had been to Gladstone, we still did not receive a complaint. Not one person rang up after his full-size photo appeared in the Gladstone Observer saying what a dreadful thing this was—still not one complaint about this phone box. In fact, Kim Beazley in an empty phone box where there was no phone was a vacuous man in a vacuous phone box. It was a good symbol of what the ALP has as its vision for telecommunications in regional Australia.

I have never heard anyone in the Labor Party, even the spokesman on telecommunications, articulate a vision of what the ALP would give to regional Australia, because they do not have one. They simply do not have a vision. All this has been a debate about sentimentality and trying to make Telstra look like some icon. If we are really serious about telecommunications, we have to take a step back. We have to forget about the rhetoric and the level of ownership and ask, ‘What strategic government measures and what regulatory framework are we going to put in place to ensure that Australians and particularly those in outer metropolitan and regional Australia get good phone services?’ Obviously, what we have had from Telstra, be that in full government ownership or in part government ownership, has not been good enough.

I read before the so-called Bundaberg resolution of March 1998. More recently at our state conference in Brisbane, we put up another seven points. All of those have been contained in the package that the government has gone forward on. I notice that the ALP and some of the Independents have been try-
ing to denigrate the $3.1 billion that has been made available as if this were some immature amount. They have been saying all the dreadful things that might happen to the $2 billion if it were invested in Telstra shares. Of course, if it were invested in Telstra shares when they are paying about seven or eight per cent, it would not be $100 million that would be available each year, it would be $140 million. But if you want my view on how it should be invested, it should be invested in a mixture of cash, interest-bearing deposits, securities and Telstra shares so that you have a blend of investment and a spreading of the risk.

In the few remaining minutes available to me I would like to outline the two things that will guarantee good telecommunications for regional and rural Australia. First, there has to be a regulatory environment in which we get genuine competition so that the people of regional Australia can enjoy the same sort of competitive market as people in the capital cities. We have done that through a measure contained in one of the bills before us which requires Telstra to publish internal contracts setting out non-price terms and conditions, the framework for the supply of services and the grades of services provided. We cannot have a repetition of what we saw recently where Telstra was offering its retail customers a deal at $29.95 and charging its wholesale competitors, to whom it should have been giving reasonable third party access, a higher price.

The second thing that is necessary to give regional and rural Australia good telecommunications is a new platform. Regional and rural Australia cannot sit forever on a clapped-out copper system. The vision has to go beyond the ownership of Telstra into what models we might put in place to make fibre-optic technology available to a greater degree and, on the end of fibre-optic, to create nodes of wireless technology which will deliver a range of telephone, high-speed internet and broadband services.

Mr KATTER (Kennedy) (11.02 am)—The previous speaker, the honourable member for Hinkler, is a very decent person and a very decent member of parliament. I feel very sorry for people in these circumstances. No matter how many times he says it, no-one will believe that the member for Hinkler is in favour of selling Telstra. It does not matter how many times he or decent people like him in the National Party tell us that it is good or that they are in favour of selling it, they will never convince me. I feel very sorry for them, being in a party system does not really allow them to do the things that they know should be done.

Having said that, we Independents have taken a fair bit of criticism for our stand on this, and there is no doubt that our stand has held up the sale for three or four years. If we had rolled over and accepted the sale of Telstra when the government first put the proposal to this House, then the people of regional Australia would have been out of pocket, because Telstra Country Wide claim that, while they are providing $231 million of service connections that they believe are only marginally profitable, they are doing it to help rural and regional people. That was their assertion, as quoted in the *Australian Financial Review*. According to the *Financial Review*, for 2004 that figure was $231 million. It is similarly stated that they had put $163 million in the year before. I do not know whether you wish to consider the official government statement that Networking the Nation provided $260 million or whether you would prefer to consider the figure of the National Party senator from Queensland, which suggested that $660 million was provided for Networking the Nation, but I think we will use the government figures. Six-hundred and fifty million dollars was secured in government moneys. Now, with the sale of
Telstra—and you must understand that all the government members voted for the sale of Telstra previously—they are skiting about securing $3,000 million.

You will recall that a number of Independent senators and senators from the small parties would not state their position on Telstra. I make no apologies for the fact that we did very heavy lobbying, publicly, privately and through the media, and I have absolutely no doubt that my colleagues from Calare and New England played an instrumental role, and I along with them, I will say, in securing the support of some of those people to oppose the sale. If we had rolled over and accepted the proposition being put forward by spokespeople on the other side, we would have lost $650 million plus the $3,000 million—or rather $3,200 million. We would have lost $4,000 million if we had rolled over. Congratulations to us. We secured $4,000 million. I would like to pat myself on the back for that, but I will not, because we may have lost the battle. It is not over till it is over, but maybe we have lost the battle over the sale of Telstra—and that pales into insignificance.

Let us analyse again the $3.2 thousand million. One thousand million dollars of that is to go into upgrades. Whilst I only have the figures here for 2004, $231 million were put out in 2004. On that basis, every 4½ years we get $1,000 million. So, in 4½ years from the point at which we sell Telstra, we will already be $1,000 million behind because of the proposal being put forward by the National Party and the Liberal Party in this place. In a normally operating Telstra with 51 per cent government ownership, we enjoy $231 million a year. When this proposal goes through we will not get the $231 million, so in a 4½ year time frame it will cost us $1,000 million and we will have made a bad deal.

The $2,000 million is to be in a trust fund. It is unfortunate for the government that they used the word ‘trust’. The people of Australia have long given up trusting governments. We were not going to have a GST and we were not going to do a whole lot of things under Mr Hawke and Mr Keating. People have long since given up, so it is unfortunate that the government have used the word ‘trust’. I said the other day and I will say again today that I am prepared to stick my neck out and say that that $2,000 million will vanish when we need technological change and decide to bring services up to speed, and that will probably be a good decision. Even I might have to agree with that decision at the time.

But let us assume that the government is going to honour its trust and use that $2,000 million for the purposes for which we are suggesting. That is $100 million a year. I repeat: $100 million a year. Well, whoopee! Santa Claus has arrived. At the present moment, Telstra is spending $16,000 million a year to provide services in Australia, so $100 million is ludicrous and laughable and an insult to us. Whilst a lot of those services naturally are in the city, because the provision of services is so cheap in a centralised metropolitan capital city area, the vast bulk of that money is really for regional services. The vast bulk of that $16,000 million will be offset by $100 million a year.

The proposition that the government is putting before us is that we will replace a situation in which the Australian people, in the Constitution, placed upon the government of Australia the responsibility to provide communication networks between Australians. That is what the Australian people said, and they are saying it today. These people who stand up over there on the government side are putting forward the proposition that: ‘We are going to do this. We know 70 per cent of the people of Australia are opposed to it and we know only 16 per cent are
in favour of it, but we are going to do it because we know more than you. We are very clever people in this place.’ My experience is that the people have called it a lot better than the government has. Not all of the time—there are times when public opinion may be wrong—but from where I sit the people have got it right a hell of a lot longer. I do not wish to address the free trade or free market issues today, but that is a classic case in point. The people said, ‘Don’t do it.’ The government did it, and now our agriculture is at a 47 per cent disadvantage in the world market. So who was right and who was wrong there?

Mr Deputy Speaker, you will now see the government abrogating their responsibility, placed upon them by the Australian Constitution and by public opinion in Australia, right at this very moment. They will abrogate that responsibility and have that responsibility replaced by a profit system so that services and the maintenance of services will now be provided only where there is a profit involved. That means that the further you are from a population centre the greater the cost of your services will be. It will be monumental. Let me use a quick example that got national publicity at the time. The supermarket manager Brian Kruuske of Karumba rang up to have his Commander service repaired. It had broken down once before and had cost him $350. He rang up to have it done and he got a bill for $2,000, I think it was. The Commander services had been privatised, unbeknownst to him. He just asked for it to be fixed, so a bloke was flown in from Townsville and, in all probability, to Brisbane. A lot of the work is being done from Brisbane, I am appalled to find out, even now. So the technicians will withdraw. That means that if your telephone breaks down in Richmond, Georgetown, Charleville or wherever then Telstra will have to fly a technician out to fix your telephone.

I have said it again and again and I will say it again here: do not insult our intelligence by telling us that when a telephone breaks down there is going to be a service in place, put there by legislation, that will ensure that Telstra will fly a technician out to fix it in Quilpie, Georgetown or Julia Creek, because it simply will not happen. Every single person in this place knows that it will not happen, so do not go out there telling lies. Do not insult our intelligence.

Let me be very specific. If there is any doubt in your mind, there were the famous COT cases, the casualties of Telstra, which got national publicity for a protracted period, which Telstra reputedly settled out of court for $23 million—and I do not doubt for a moment that that figure is correct. In those cases, people said, ‘People are ringing us but they don’t get through,’ and they were able to prove it. But there were 13 years of fighting, bankruptcy after bankruptcy, and, ultimately, admissions by Telstra about the bandwidth into northern Melbourne and Fortitude Valley in Brisbane. This was not in the boondocks; this was in the central metropolitan heart of Australia: north Melbourne and Fortitude Valley in Brisbane, right in the centre. There were universal service obligations in existence. There was legislation in place that said Telstra had to provide those ser-
services. Tell that to those broken people who lost a decade and half of their adult lives as a result of that situation. Tell that to the COT cases. The first thing that Ziggy Switkowski did, of course, was to settle out of court, because he knew that was the ultimate argument against privatisation.

We need go no further than a fortnight ago—and you yourself, Mr Deputy Speaker Lindsay, would be well aware of this, although it was further north than Townsville—when the Optus cable was cut. I bring the case back to the parliament’s attention. There was the front page of the Courier Mail, the biggest newspaper in Queensland, saying: ‘Cable cut, tens of thousands of users in North Queensland without Telstra services.’ The cable was cut, and that happens—no-one can stop that from happening—but of course Optus had no rerouting arrangements, because they are very costly. Optus are not now in the business of delivering services and guaranteeing services; they are now in the business of making a profit. If they had paid for a rerouting system, it would have been very expensive. By not having a rerouting system, they could undercut the prices of Telstra and get more clientele.

That is what the free market system is all about. By law, corporations are obliged to maximise profits. There are those in the legal fraternity who believe those laws should be changed. Let me go no further than Allan Fels, the man chosen by this government to enforce government legislation. I think the phrase he used was ‘excess market power’, about Woolworths and Coles. He said that if the government moved to do that—and I think hell would freeze over before that would happen, but everyone in Australia absolutely believes it should happen—it would be ineffective, because the ACCC could not fight a corporation the size of Woolworths. A corporation the size of Telstra is very formidable beside a Woolworths or a Coles or anybody. So, if Professor Allan Fels said we cannot enforce laws against a corporation the size of Telstra, I would leave to your imagination how these laws are going to be enforced. Of course they will not.

There is one other aspect which I wish to bring to the House’s attention. What happens when you do this? We have already seen the Optus case, so we already know one of the things that happens. In my home area—and I always like to refer to something that happened last weekend or two days ago—I was at the football, and I said, ‘Where’re so-and-so and so-and-so?’ and they said, ‘Oh, they’ve all been sacked.’ We have lost 500 railway employees from my old mid-west state seat because services have been withdrawn. So we pay six times the cost of getting a motor vehicle part out to our towns because the parts come on very expensive overnighters, whereas before they were coming on the railway system.

Let us have a look at airlines. It is said that the privatisation and free market of the airlines have been a wonderful example of competition at work. I think there have been some benefits. If you want to go from Brisbane to Melbourne then you pay $428 for the round trip. That is remarkably cheap, and there is no doubt that the price has come down. But I do not live in Brisbane. The member who is about to get up and speak does not live in Sydney. So what happened to our air fares outside the metropolitan areas? It is 1,400 kilometres from Brisbane to Melbourne and costs $428 for the round trip. For 800 kilometres from Mount Isa to Townsville—almost half the distance—it is $922. And a person in Brisbane does not have to go to Melbourne to have an operation done. A person in Mount Isa does. A person in Brisbane does not have to go to Townsville to go to university. A person in Mount Isa does. These are essential services, and the price
has skyrocketed. People can travel twice the distance for less than half the cost. That has been the outcome. Because there was a 1,000 per cent increase in charges in two of our airports, I rang up and said: ‘Where’s the regulatory framework? There’ll be some regulations that won’t allow them to profit.’ They said, ‘There’s no regulatory framework on airport services.’ I asked, ‘None whatsoever?’ and they said, ‘No.’

I could see clearly the reason for that. If you want to sell this asset, Telstra, and you start putting regulatory restrictive conditions on it, the price will fall. Heaven only knows that we have seen that in the last few weeks. When the government started to talk about a regulatory system that would guarantee services, the price started falling through the floor. The further they talk about it and the more they go down that pathway, the further the price is going to fall. And that is why the government—the Labor Party in the main—sold off all these assets and put no restrictive covenants upon them. That is the reason why.

This place is driven by a concept that the free market will look after us all. People say that I and my colleagues the member for Calare and the member for New England are trying to take Australia back to the 1960s. If you have a look at the performance indicators then, I would to heaven that we could go back to 1960 than to 1860 where these free market zealots want to take us. Obviously they do not read history books, because in England the free market system had little children going down mines with a chain and a collar around their necks— (Time expired)

Mr HARTSUYKER (Cowper) (11.22 am)—It is with great pleasure that I rise in the House today to speak on the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006. These telecommunications bills are vital to the future of our nation. I want to concentrate on three important points. Firstly, there is Labor’s lack of any sensible telecommunications policy. (Quorum formed) Secondly, I want to concentrate on what the telecommunications policy involves and, thirdly, what has been achieved in my electorate.

With regard to the first point, Labor’s lack of a real telecommunications policy, earlier this week I spoke in the House on the Workplace Relations Amendment (Better Bargaining) Bill 2005. It is interesting to note that a lot of similarities exist between Labor’s policies on industrial relations and their policies, if there are any, on telecommunications. In both cases they are defending the status quo, despite the fact that they oppose root and branch what the government have done in both those areas. They have opposed the partial privatisation of Telstra and the workplace relations reforms that the government have brought forward. But, suddenly, everything is okay, and they want to leave it as it is. ‘If it ain’t broke, don’t fix it,’ they are telling us. What a poor excuse for a policy. They are merely wanting to keep things the way they are.

As their primary methodology for determining policy, Labor use that technological marvel—the rear-view mirror. They are a backward looking force. They lack leadership. I can see the policy development team beavering away in a darkened room with the best collection of archaeologists and museum curators the country can find, looking backwards all the way—never forwards, only backwards; that is the way they seem to do things—to develop their policy.
With regard to the important issue before us today—the package of telecommunications bills and what that package involves—I am delighted to be part of a coalition government that is putting forward $3.1 billion to boost regional telecommunications and telecommunications around this country generally. This includes: $1.1 billion to deliver better mobile phone services and better broadband phone services across Australia, particularly in regional and rural areas; and a $2 billion fund to future proof services, with the income being generated from that fund to ensure that people in regional and rural areas have adequate services not only now but also in the years to come and that they have not only the technologies of today but also access to future technologies that we do not yet know of.

The National Party and the coalition government have been focused on engendering strong competition. We believe that competition will deliver the sorts of services that people need in regional and rural areas. We have been focused on the fact that, to achieve competition, we need an internal separation of Telstra’s wholesale and retail arms. We believe in the importance of the power of the ACCC and the Australian Communications and Media Authority to regulate the operations of Telstra to ensure that the marketplace is going to deliver the services that people need.

What will our proposed funding do for the people of regional and rural areas? As I said, the government is proposing to spend $1.1 billion over the next four years to boost broadband, mobile phone services and Indigenous services across regional and rural Australia. This funding includes $878 million to roll out affordable broadband services in areas where the market is not going to do the job; $113 million in funding to provide for essential services in health and education in regional and rural areas; $30 million to extend mobile phone coverage and to continue the satellite handset subsidy. It is vital for people working in remote areas, who are perhaps working on their own on a tractor or at a remote mining site, to have instant communication for commercial and safety reasons. This is an important program. There is also $90 million to support communications for Indigenous communities. I know that the member for Lingiari, who is at the table, would support better telecommunications for Indigenous communities, although he is being very quiet on that at the moment.

The $2 billion Communications Fund will be quarantined, and the income from that fund will be invested in upgrades to technologies in regional and rural areas. The money will be allocated commercially, not just to Telstra but to other carriers. That is one of the things that this government has achieved: a strong competitive regime. So there will be other communications carriers as well as Telstra that will be able to access the funding generated through the telecommunications fund. There will be regular independent reviews of regional telecommunications to ensure that, as technologies come on line, regional areas have access to that technology. The first review will take place after the sale of Telstra. We will ensure that there will be access to a range of commercial carriers. But the funding that this provides will not be funding that should have been provided commercially; it will be funding provided where the market is not filling the gap.

Another important element is regulation. The government will be maintaining the customer service guarantee to ensure that customers have their phone services repaired quickly and that, if that does not occur, compensation will be available. There will be increased powers for the Australian Communications and Media Authority to direct
People ask the question: is the sale of Telstra in the national interest? I believe it is in the national interest for two important reasons. From an investment point of view, all fund managers around the country adopt a balanced portfolio approach. The government sees it as appropriate that the funding from Telstra not be tied up in a phone company but be distributed to the benefit of the people of Australia. Any investment in a single asset carries a higher level of risk than a diversified portfolio, and the government’s investment in a large telco such as Telstra is not appropriate for the current day. The government will also be able to regulate Telstra more effectively when it no longer owns a majority stake in the company, contrary to a lot of the howling that we have heard from the members opposite. As a majority shareholder the government has certain responsibilities under corporate law, but if it divests itself of its stake it will no longer have those responsibilities under the Corporations Act.

Price controls are another vital element. The Nationals have championed the interests of the people of Australia to ensure that there are appropriate price controls on Telstra. Under the proposals, local phone calls will still be untimed and capped at 22c. Phone connections and line rental charges will not increase faster than inflation and, on average, Telstra call charges such as STD, international and fixed line to mobile calls will not rise faster than the rate of inflation.

Telstra must also keep a regional focus. The universal service obligation requires Telstra to guarantee standard phone services, and the licensing conditions will require Telstra to develop a local presence plan. In my area Telstra Country Wide is presently doing a great job, and I know that the general manager of my area, Jim Atkins, does a great job to ensure that the telecommunications needs of regional customers are met. Telstra will have to show that it can maintain an effective local presence for the people of regional and rural Australia. Telstra will consult with regional, rural and remote customers to make sure that it addresses their needs and concerns.

People are often concerned about change. What is the greatest risk to telecommunications services in regional and rural areas? Is it the onward march of telecommunications technology? No, I do not think it is. Is it the ageing copper network? No, I do not think the ageing copper network is the greatest threat to telecommunications services in regional and rural areas. I think the greatest threat to telecommunications services in regional and rural areas is the Australian Labor Party. The ALP is the greatest risk. They sold off the analog phone network and put nothing in its place. In previous privatisations when the ALP sold off the Commonwealth Bank and Qantas, they made no provisions for services in regional and rural areas. When you look at the state governments around the country, you find that they are all Labor. When you look at what they are doing, you can see that they are starving regional and rural areas of vital infrastructure. They are not supporting regional areas. They have a city-centric focus. The greatest threat to telecommunications is a federal ALP government, which will neglect the bush and regional and rural areas. They have form in this. They have form at the state level and when they were previously in government at the federal level. Everyone knows that Labor would sell Telstra anyway.

I would like to turn to achievements made in my electorate. Certainly we have seen through Networking the Nation and through the Besley and Estens reviews substantial improvements in telecommunications in my electorate. We have seen a roll-out of broad-
band in Coffs Harbour, Woolgoolga, Kororo, Sawtell, Bellingen, Raleigh, Dorrigo, Urunga, Glenreagh, Nana Glen, Nambucca, Valla, Macksville and Bonville. There have been great roll-outs. Mobile phone coverage has improved. Mobile phone services along the highway have improved remarkably in recent years. There are new mobile phone towers installed in Sawtell, Dorrigo, Bellingen, Wooli and South West Rocks, and there have been improvements in Macksville and Nambucca. There have been substantial improvements in broadband coverage and in mobile phone coverage.

The government is performing nationally and in the electorate of Cowper. Yes, we still have work to do, but this government is focused on ensuring that the people in the electorate of Cowper will have access to future telecommunications technologies as they come on board. This government is focused on ensuring that maintenance standards and improvements are continually carried out so that people have a quality telecommunications service. Looking at it on a national scale, good telecommunications have a major positive impact on the GDP of this nation. It is vital that we keep moving forward. It is vital that we do not run this country’s telecommunications through the rear-view mirror, as the ALP would want to do. We have to ensure that we have the sort of telecommunications platform that will deliver services into the future at a world standard. These proposed bills will go some way to achieving that.

We cannot live in the past as the ALP and the Independents would like to do. Just as the ALP want to leave things as they are in the area of industrial relations, they want to leave things as they are in telecommunications. As a nation we cannot afford to do that. We need to have a strong high-technology platform that is going to meet our needs into the future. We need to engender competition across the telecommunications market. We need to continue ensuring that we have cheap, affordable telecommunications in real terms. We need to ensure that we have quality services right across the nation.

As I said earlier, the greatest threat to telecommunications in this country is the Australian Labor Party. The greatest threat to our future advancement as a nation is the Australian Labor Party’s lack of vision on telecommunications and industrial relations. We in this coalition want to take this country forward. We in this coalition want to ensure that people in regional and rural areas, such as my seat of Cowper, have access to the best possible telecommunications that allow them to conduct their business no matter where they live or work. We see that as the way forward. We see these bills as the way of achieving that end.

Mr SNOWDON (Lingiari) (11.39 am)—I am sure that the Australian community over the last few days would have been somewhat concerned—and perhaps confused and probably angry—about the revelations that they have been lied to, duped, conned—

The DEPUTY SPEAKER (Mr Baldwin)—The member for Lingiari will withdraw the statement: ‘lied to’.

Mr SNOWDON—With great respect, Mr Deputy Speaker, why?

The DEPUTY SPEAKER—that is my ruling—that is why.

Mr SNOWDON—I am sorry, but—

The DEPUTY SPEAKER—You can dissent from that ruling. I have issued an instruction, and you will withdraw—

Mr SNOWDON—Perhaps you would seek some advice from the Clerk. The Australian people have been misled—

The DEPUTY SPEAKER—The member will resume his seat. I have asked that you withdraw the statement: ‘lied to’.
Mr SNOWDON—But I have not attributed it to anyone lying to them; I have said they have been lied to.

The DEPUTY SPEAKER—On advice from the Clerk, as you have not attributed that to anyone you may continue. But I will be listening to your speech intently.

Mr SNOWDON—Let me say again: the Australian people have been lied to. They have been misled. They have been conned. They have been duped to believe that somehow or other Telstra was in safe hands, would be sold and was working effectively. Who is responsible for these mistruths? The Australian government. Who is the leader of the Australian government? The Prime Minister. Could you see him last night, squirming in his seat on the 7.30 Report?

The DEPUTY SPEAKER—The member for Lingiari will resume his seat. Now that the member has attributed those statements to the Australian government, he will withdraw the word ‘lied’.

Mr SNOWDON—I withdraw the word ‘lied’, but later on I want to have a talk to you, because I believe that the Australian people have been lied to. They have been duped and they have been conned. There are no other words to describe it. If you have got a concern—

The DEPUTY SPEAKER—The member for Lingiari will resume his seat. I will not tolerate the continued use of the term ‘lied to’ when you attribute it to a person or a government.

Mr SNOWDON—I see—the Australian government does not lie. I withdraw the statement. The Australian government does not lie—you have heard it from the Deputy Speaker. Understand that what the Prime Minister was doing last night was not lying. What he has been doing over the past few weeks was not lying. What were they doing then, Mr Deputy Speaker, if they were not lying?

Now we know that there has been a massive cover-up of the disarray that is within Telstra—its failure to provide services and the necessity for up to $5 billion, so the new CEO has told us, to bring its services up to scratch. And more recently, in the submission which has been made available to the government—the digital compact and national broadcast plan—what did they say, Mr Deputy Speaker?

The DEPUTY SPEAKER—If you are asking me questions I will respond, but I assume that you are not reflecting on the chair.

Mr SNOWDON—What they said was that there was a requirement of at least $2 billion to $3 billion to bring services up to scratch. Who has been lying to us? Who said prior to the last election that Telstra services were up to scratch? Was it me? Was it you, Mr Deputy Speaker? You may have. I know someone who did—the Prime Minister.

The DEPUTY SPEAKER—The member will resume his seat. I am becoming intolerant of the way that you are reflecting on me in my role as Deputy Speaker. If you wish to refer to me in my role as a member then you will address me as the member for Paterson, not as Deputy Speaker.

Mr SNOWDON—I am pleased to, Mr Deputy Speaker. As the member for Paterson, you may have told people the same mistruths. Only you can respond to that. But let me say this: the people in my electorate are most concerned about the state of disarray within telecommunications services in this country. This morning I received some feedback through my web site from a person who lives at Humpty Doo, only 30 kilometres from Darwin. He said: ‘I live just 300 metres from the Humpty Doo pub and I can’t have
broadband and I am unable to use my Telstra mobile at home—true. I have contacted the above on both issues. “Broadband: not sure when you can have it. Mobile: we are aware of the blind spot you mentioned and we need to relocate a tower for a stronger signal.” As you can see, I do not live in the bush, but on a highway.’ I seem to remember CLP senator Nigel Scullion remarking some time ago that he will not be voting for the sell-off of Telstra, at least until there is full coverage on our highways. And then he says to me, ‘Stick it up ’em, Warren!’ Do you know why he is saying that? He is most concerned about the lies that he has been told. He is most concerned about being misled, conned and duped by the government.

Why are they doing that? Because they want to flog off this telecommunications carrier to satisfy their own ideological obsessions. We know that in the context of the Northern Territory there is the idea of future proofing. Commonsense tells us that a fully privatised Telstra will focus on profits, not people. We all ought to understand that. This is a message I have been receiving from Territorians for five years. The information that Telstra has had some serious equipment failures and has underinvested in the company is not new to people who live in remote Australia.

Five years ago, the Howard government delivered a report on the level of telecommunications services in the bush. The comprehensive Besley inquiry found that services in the bush were not equitable with services to residents in metropolitan Australia. In particular, the report found poor performance in repairing faults and fault rates in localised areas that are far too high, that many small businesses and families cannot get reasonable access to the internet and that some people have no access at all, and that some companies in rural and remote areas cannot get the business telecommunications services they need to operate competitively. Did the government seriously act to address the needs mentioned in this report? Of course not.

Not being happy, the government put together the Telstra’s regional service levels inquiry—we all remember it; it was chaired by a National Party member, Dick Estens—to get the answer it wanted before pushing ahead with the full sale of Telstra. The Estens inquiry had narrow terms of reference and lasted for only a couple of months. That inquiry was only window-dressing—an absolute smokescreen. It was set up by the Howard government to fast-track the full privatisation of Telstra. It was a political fix. The government set up the inquiry to get the result it wanted.

At the time, I was critical of it and the panel that was chosen to conduct it. The inquiry and its outcomes were greeted with scepticism by rural and regional Australians—as well they might have been sceptical. At the time of the publication of the Estens report, I wrote an article for the *Alice Springs News*. I said:

The Estens report hasn’t fooled anyone about the reality of Telstra’s services in the bush, least of all the people who live here—that is, in the Northern Territory. It is a false representation of telecommunications service levels put together by a team who mostly visited capital cities and did not even bother coming to the Northern Territory. That is how well informed they were. Nearly all submissions to the inquiry showed that Telstra is failing to provide the bush with services that are demanded and expected by capital city populations. But even this Clayton’s inquiry was forced to highlight major failures in remote areas of Australia. Finding 5.1 stated:

… remote Indigenous communities remain the most disadvantaged telecommunications users in
Australia and face unique difficulties in accessing adequate services.

That remains the case. Given that the inquiry did not come here—that is, the Northern Territory—it is not surprising that the inquiry received only six submissions from the Territory. At the same time, I conducted my own survey. There were 600 respondents to that survey about what people thought of Telstra and its potential sale. That was more than the total number of submissions that the Estensen inquiry received nationally. More than 94 per cent of the respondents to that survey opposed the full sale of Telstra. The majority of respondents were unconvinced that Telstra’s mobile, internet and connections services were up to scratch, and only 20 per cent said that the time taken to deal with faults was good. At the same time, the CLP senator whom I referred to earlier, Nigel Scullion, had this to say in the *Alice Springs News*:

> As Senator for the Northern Territory my position on the future of Telstra has ... been to not discuss any sale options, until such time as Territorians have both access to equitable telecommunications services.

It has not happened, Nigel. We do not have them. He also said:

> The inadequacies identified with the data speeds must be addressed prior to progressing with any sale discussions.

Further, the CLP senator is on record as saying, ‘Mobile coverage should be extended along the length of the Stuart Highway before the rest of Telstra is sold.’ He made that comment when first campaigning on his position. It might surprise you to know that I was on the Stuart Highway last week. I had been on a trip across the Tanami Desert over to Kununurra and back on the Buchanan Highway—1,200 kilometres of dirt road. I met the Stuart Highway near Dunmarra and I had a blow-out. I went to the roadhouse at Dunmarra. I tried my mobile phone to ring a tyre service to organise getting a tyre in Tennant Creek. The mobile phone did not work. I tried a CDMA phone. It did not work. Luckily, I had my Telstra satellite phone. If you are travelling up and down the Stuart Highway, you will find that there is no access to mobile services at Dunmarra. So, if you had an accident on the Stuart Highway—a matter of concern—and you had your mobile phone, and you wanted to whip it out and ring emergency services, you have no hope of doing it.

So let us take Senator Scullion—who is going to vote on this legislation in the next week or so—at his word. One, we do not get equitable services in the Northern Territory. Two, we do not have mobile coverage up and down the Stuart Highway or along the other highways of the Northern Territory. By his own measure, he should be crossing the floor and voting with the opposition against this legislation when it is voted on in the Senate. But he will not do that. He, like the rest of the Australian population, has been duped and conned. Now he is extending that conning to the population of the Northern Territory. He wants them to believe everything is A-OK. We know it is not. We know that the paltry mechanisms which have been put in place to address so-called future proofing will go nowhere near meeting the service needs and requirements of people who live in regional Australia and in the bush—in particular, in my part of Australia—either now or into the future.

I just mentioned a case at Humpty Doo. Humpty Doo is about 30-odd kilometres out of Darwin. In Alice Springs, which is where I live, we have numerous examples of people getting unsatisfactory service. They are unable to get broadband services. Someone rang me recently. They said:

> I live some 5 kilometres south of town—that is, in Alice Springs—
in a block of 90 units known as the Gap estate on the corner of Bloomfield St … and Bradshaw Drive, immediately below the Mt Gillen mountain range. Dial-up Internet access is becoming increasing more difficult, with myself and other local users experiencing numerous regular line dropouts, often as little as 5 minutes after logging-on and as many as 4 or 5 dropouts per 2 hours - especially since November 2004. My Internet supplier is AOL-Primus, but they say they can’t do anything because it’s a local line matter for Telstra. Telstra say: Speak to your Internet service provider ie. AOL. We’re just the consumers in the middle. I’ve previously emailed The Telecommunications Industry Ombudsman & Telstra Countrywide about this, but they haven’t done anything.

I know the parlous state of telecommunications services in Northern Australia. I know that, despite the diligent work being done by Telstra Country Wide with severe resource restrictions, they are not going to be able to address all the concerns of people who live in the bush. We know that the government is now saying it is going to give us $2.2 billion to future proof the organisation. It says that this $2.2 billion will be spent on the basis of the interest accruing, spending about $100 million per year, to address the shortfall in telecommunications needs across Australia. But let me say this to you, Mr Deputy Speaker, and let the government listen to this: the Northern Territory government has recently taken advice from consultants ACIL Tasman that the Northern Territory alone will need over $100 million to get telecommunications services in the bush up to scratch now—not in the future, now. We are expected to believe that, through the largesse of this government, the Northern Territory community can look forward to rosy days of improved telecommunications services. Well, it ain’t going to happen. We are not fools, even though the government might like to treat us as fools.

The Northern Territory community know about the assurance that they might get further services once the full sale of Telstra goes through, although the telecommunications carrier has been stripped of money and has had to go to borrowings to pay a dividend that could have been assured. They know those dividend moneys could have been spent on improving bush services as long as Telstra was in government ownership. That is over $2 billion a year in dividends. And what are we expected to believe—that $2.2 billion invested now for the life of this process will somehow or other improve and address the needs of telecommunications services in the bush? We are not fools.

I notice that part 9B of the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 provides for independent reviews of regional telecommunications. These will be carried out by the Regional Telecommunications Independent Review Committee that the legislation establishes. It will consider whether regional Australians have equitable access to telecommunications services that are needed by regional Australians or are available to one or more urban parts of Australia. These reviews are to take place every three years. We might think that is one way of addressing the problem, but I would have thought you needed to go from a baseline. You need to understand what the problem is today. We know what the problem is today because it has been identified by Telstra’s management. They say you need to spend $5 billion today to get telecommunications services up to scratch. The government say, ‘Sorry, don’t like that idea; we’ll spend and commit $2.2 billion into the future.’ I am not a mathematician, but you do not have to be too bright to work out that, if the current needs of $5 billion are not going to be addressed, the situation will worsen—and, I would have thought, worsen almost expo-
nentially. So the $2.2 billion will go nowhere near meeting their needs.

Significantly, according to subclause 158P(10), for the purposes of these reviews Australia does not include the eligible territories. Under the Telecommunications Act 1997, section 7 eligible territories include the territory of Christmas Island and the territory of the Cocos (Keeling) Islands. This means that not all Australians are even covered by this legislation. You may not know, Mr Deputy Speaker, but the Cocos (Keeling) Islands are in my electorate and Christmas Island is in my electorate. But what is happening here is that, as with the Migration Act, they are being excluded. Their future needs are not going to be addressed by this legislation. They have been excluded for the purposes of the Migration Act; now they have been excluded for the purposes of telecommunications by this government. What does that say to Australians? What does that say to these people, Australian citizens, living on Christmas and the Cocos islands? They are very remote parts of Australia indeed, more than 3,500 kilometres from either Darwin or Perth. This legislation will not guarantee them anything. To them, it is not worth the paper it is written on. This is not a service to Australians.

Senator Scullion, the CLP senator that I spoke about earlier, is a senator who has responsibility for Christmas and the Cocos islands. What is he going to do when he fronts up to vote? Will he take the spineless position—the supine position that he will no doubt adopt at the foot of the Prime Minister—and say, ‘It’s all right, boss, I’ll support you,’ despite the fact that, in his full knowledge, his community is not being well served by this legislation and parts of it will not even cover parts of the community that he is supposed to serve? What sort of responsible person could support that sort of legislation? I for one know that I will not and never will, and I know that the Australian community is sick and tired of the lies and of being misled by this government. It is time that the Australian community understood that we in the opposition will stand up for their rights, even if the spineless crew on the other side, including the National Party, will not. *(Time expired)*

**The DEPUTY SPEAKER (Mr Baldwin)—**Before I call the next member, I suggest that the member for Lingiari read the transcript of his speech today and read the rulings of Speaker Snedden, to look at appropriate language and the use of such language in this House.

**Mr Snowdon**—With your indulgence, Mr Deputy Speaker, I suggest that you read the transcript and work out where your points of order were wrong.

**The DEPUTY SPEAKER**—I take on board your point and I will do that, but I still ask that you do that. It is up to you whether you do or do not but, in future, such language will not be tolerated in this House.

**Mr Snowdon interjecting**—

**The DEPUTY SPEAKER**—The member for Lingiari should also read the standing orders about reflecting on the chair.

**Mr Bruce Scott** (Maranoa) *(11.59 am)*—I rise today to address the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and cognate bills before the House. As many people in the House would know, the electorate which I represent is a very large rural electorate covering almost 50 per cent of the land mass of Queensland. Telecommunications is a vital service for the people in my electorate, and since this government has come to govern this country they have seen many improvements in such services right across my electorate. I want to highlight some of those services in my contribution today.
Affordable access to telecommunications is not a privilege but a right for all Australians. It enables families to keep in contact with each other and it allows businesses to conduct their day-to-day operations more efficiently. Health services, particularly through telemedicine, can be delivered more efficiently. In reality, good communications breaks down the tyranny of distance which has plagued for so long the people who live in rural and remote parts of Australia. It breaks down the tyranny of distance by providing them with world-class telecommunications infrastructure. The benefits, apart from the two very obvious ones of telemedicine and distance learning, are certainly endless.

At our National Party conference in Queensland this year, our delegates unanimously passed what has become known as the party’s five-pillar policy. This policy resolution was really a framework of policy principles. These policy principles will ensure that in the future after Telstra is fully privatised all Australians, particularly those people living in rural and remote areas, are delivered services and are able to access new technologies where markets fail. The five-pillar policy that our Queensland conference endorsed has provided guidance to the leadership of our party. Of course, being part of a strong coalition government has enabled our party to help deliver one of the biggest telecommunications packages in the history of any Australian government. It will secure telecommunications services and deliver new technologies where markets fail in the future in regional, rural and remote Australia. Equally as important, it will provide policy solutions for all Australians regardless of where they live. But what have we heard from the Labor Party? They have no plan and there is no proposition in a policy sense to address these issues into the future. I think their policy on this is just a blank page—it is to put up the ‘no sale’ sign—but we in this government are providing policy solutions now and into the future.

The Connect Australia package addresses all of the five key pillars of policy which our party in Queensland was insistent on so that the Telstra sale would have the support of our members of parliament. I want to place those five pillars on the record, for the benefit of the House and those listening. The first pillar is:

The establishment of a permanent and significant trust fund with the earnings used to provide future technology and infrastructure upgrades at parity price and service with metropolitan services in cases of market failure (utilising a competitive tender process that considers providers with a permanent presence in regional Australia) ...

That policy principle is met by our Connect Australia package. It provides a savings measure so that in the future when a market fails there is a fund of money that generates income that can be used to fill the gap where the market has failed. Importantly in that policy principle is an element that was identified at our conference that we want to ensure that there is more competition in rural and regional areas of Australia, that the fund money will be competitively tendered for and that the tender process will consider providers with a permanent presence in regional Australia. The last thing that people in rural and regional Australia want to see is a situation where companies have an interest in providing communications services in their areas—and we know it is more difficult to provide services in those areas—but are not prepared to invest in service outlets and in a face-to-face service capacity. The second pillar, or principle, is:

The establishment of a separate body under the Australian Communications and Media Authority—

the ACMA—

with:
responsibility to monitor and report annually, and review every three years, on the adequacy of telecommunications services in regional, rural and remote Australia;

- authority to investigate any inadequacies in mobile telephone and broadband services in urban areas; and

- authority to remedy any inadequacies;

The third pillar is:

The requirement by law that Telstra Country Wide maintains a physical presence in regional, rural and remote Australia as a condition of licence;

This pillar is a recommendation from the Estens inquiry. It identifies the need to ensure that there is face-to-face service, albeit at a retail level, by Telstra Country Wide in the regional and rural areas of Australia. We know that when Telstra was corporatised under a Labor government Labor did nothing to ensure Telstra’s physical presence out in the regional and rural areas of Australia. They did nothing in terms of a policy. Did they have a plan? No, they did not have a plan. They did not have a policy to ensure the physical presence of Telstra Country Wide. (Quorum formed)

I notice several ministers have come in to add their support to my contribution. I was talking about the third pillar, which is that the government should require as a condition of its licence that Telstra Country Wide maintain a physical presence in rural and remote Australia. The opposition was getting rather upset earlier when I highlighted that, when they were in government and corporatised Telstra, they did not require Telstra to maintain a physical presence in rural and regional Australia. What did we see post that legislation? Telstra was able to withdraw its offices and support structures in many parts of rural and regional Australia and ended up mainly in our capital cities. That has been reversed under this government, and it is now a requirement that it maintain a physical presence in rural and regional Australia as a condition of its licence. The fourth pillar is:

The maintenance of the price averaging basis for the cost of all new telecommunications and satellite Internet connections to ensure all Australians are charged the same basic price for maintenance and new connections.

Mr Deputy Speaker, that policy principle has not had a lot of debate, but let me assure you it is as important as the others. Connect Australia ensures that we are able to deliver on that pillar. We want customers, wherever they live, to be able to access affordable communications on the basis of an average price for new connections or rentals. As I said earlier in my address, access to affordable communications is not a privilege but a right, and that right could well be stripped away if that principle is not part of a future government’s commitment. This government has committed to that very basic principle of ensuring that, whether you live in metropolitan Australia or rural and regional Australia, the charge for maintenance and new connections will be based on the average price charged across Australia. One of the simple analogies you could draw is the standard letter rate across Australia. It is capped by government to ensure that it costs the same to send a letter from one side of Australia to the other or from one side of a city to the other side of a city. It is one of the basic principles that a government must ensure that it provides for. The fifth pillar is:

The retention of the Universal Service Obligation (USO) and the maintenance of the existing price parity for local untimed calls.

Unlike the Labor Party, this government does have a plan, and that is the $3.1 billion Connect Australia package, which will ensure the security of telecommunications forevermore. I would like to recap some of the package. Firstly, the $1.1 billion allocated in new funding measures will start to be rolled out immediately. I expect that to commence on
January next year. The immediate up-front allocations as part of that $1.1 billion in funding includes $878 million on Broadband Connect to provide affordable broadband to all Australians. To put that in context, we have provided some $157 million under the HiBIS scheme. That funding will be completed by the end of this year, and we know what it has already achieved, but over the next 3½ years we will be spending something like $878 million on Broadband Connect. I think that puts into context the size and magnitude of this $1.1 billion when compared to what we have already spent since coming to government.

There will be $113 million for Clever Networks—to roll out innovative broadband networks—for new applications to improve the delivery of health, education and other essential services in rural communities. It is about innovation and new technologies. It is about new entrants, with their ideas, being able to bid for some of this money under the Clever Networks program. I suggest that some state health departments will want to leverage some of this money to support health services in our states and territories.

The $30 million for Mobile Connect is to extend terrestrial mobile coverage and to reduce the number of black spots and also, importantly, to continue the program of the subsidy that goes to satellite phones where mobile phones, in very remote parts of Australia, are just not practical to locate. Perhaps that Mobile Connect allocation might make the member for Lingiari happy. We have not heard from the Labor Party whether they support that package or whether they are going to vote against this legislation—which means that he does not want to support his constituents, whether they are at Humpty Doo or down on the Stuart Highway. Mobile Connect is what this $30 million can start to roll out in those areas because it is strategic funding—it is not about population centres—and perhaps the member for Lingiari ought to look a bit closer at some of the measures that this government is going to be funding.

There is $90 million for Backing Indigenous Ability to deliver a comprehensive package addressing telephones, the internet and videoconferencing in remote Indigenous communities and for improved Indigenous radio and television services. I would expect the member for Lingiari to be wholly supportive of that measure, because I know in the Northern Territory there are many remote Aboriginal communities, and we are providing as part of this package $90 million to Backing Indigenous Ability to address perhaps some of those areas that he spoke of in his address. So I ask the member for Lingiari: will he be supporting this package or will he be voting against the package which has measures that will certainly benefit the community that he represents in this place?

Additionally there is $50 million, which was committed prior to the last election, that is going to start to roll out on 1 January next year for Metropolitan Broadband Connect. I know there are many members of this House who have constituencies in metropolitan Australia who say there are some broadband black spots in metropolitan Australia. As of 1 January, that $50 million will start to roll out and address some of those black spots that are out in our metropolitan and outer metropolitan areas. So the government is providing money in this package not only for mobile phones, satellite phones and affordable communications in rural, regional and remote Australia but also to ensure that metropolitan broadband and those people who live in metropolitan Australia, where there have been some black spots, are not forgotten.

As part of this package we will be putting money away today for tomorrow, and that is the basis of the $2 billion trust fund. It is a perpetual communications trust fund and the
earnings from that fund will be drawn down to be competitively tendered for by communications companies to provide infrastructure or new technologies where markets fail to provide that in the future. It is very important that we not only put money away for tomorrow but also provide, where the market fails in the future, as inevitably it will in some parts of Australia, a mechanism and a funding source to ensure that those people are not left behind. The other element, of course, is that that fund means we do not have to go back to the budget in the future, so it becomes a saving in the long term for future budgets and we are putting enough money away today for tomorrow.

I had a great deal more to say, but time is going to beat me. Perhaps I will have to seek another opportunity to add to what I wanted to say on telecommunications. I commend this $3.1 billion package to the House. I congratulate the Prime Minister, our Deputy Prime Minister—our leader—and Minister Coonan and their cabinet for their work. (Time expired)

Mr HATTON (Blaxland) (12.19 pm)—This is a bill of betrayal. It betrays the Australian community and its future telecommunications needs, and it betrays the fundamental core responsibility that a national government has had for telecommunications in this country under the banner of post and telegraphs since 1901. It is a national responsibility of a national government to provide the fundamental network infrastructure for Australia's telecommunications. This government, elected in 1996, commissioned a national commission of audit which came to the conclusion, under the government’s instructions, that the government should not provide a single direct service to an individual Australian—that the government should merely benchmark and audit.

The Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and cognate bills are the final expression of what the government is all about. This legislation is not about national government. It is about a betrayal of its fundamental responsibilities. It is about walking away from what the government should be doing and consigning itself simply to being an auditor—a somewhat interested auditor but an auditor and no more. That is a betrayal of every Australian who is dependent on government to provide essential services. But it is a betrayal based on a fundamental philosophical approach that the business of government is to be out of the business of government. That is essentially what the coalition believes in—that they are elected in order to sweep away governmental regulation and to sweep away anything that would get in the way of the operation of the market.

Finally, haltingly, with another concession to the fact that you might have to put aside some money for that national infrastructure, we have a proposal to spend in the order of $3.1 billion, $1.1 billion on the Connect Australia fund and another $2 billion to be rolled into the Future Fund—to put aside the modern equivalent of 30 pieces of silver for the betrayal of the interests of the Australian people, money to be put aside to future proof telecommunications in Australia.

The only way that any government can future proof telecommunications is to stay in the business and continue to run the national network, maintain it, expand it and strengthen it, not sell it off to a private monopoly. This is about monopoly capitalism and transferring what was a full public monopoly of a wholly owned Telstra into a private monopoly where the vast bulk of the moneys earned from telecommunications in Australia comes to just one company—Telstra. The vast bulk of the market reach
and coverage is in just one company—Telstra. The monopoly capitalist in communications in the future will be Telstra. In other areas, in the broad information, media and broadcasting areas where we have a duopoly, if you like, with a few attendant, tangential players—largely the Murdoch and Packer empires—the fact that they might actually buy into and take a key part of this fundamental monopoly is a betrayal of the interests of the Australian people.

The only way you can completely future proof telecommunications is by ensuring that the Australian government has the responsibility to provide the national network infrastructure and continues to be a key player in this area. As you know, Mr Deputy Speaker Baldwin, and as I and every other person who has been on the telecommunications committee in this parliament knows, nothing is future proofed when it comes to telecommunications. There was the plain old telephone system, the POT system, which existed 20 years ago, the same one that was in existence in the late 1960s when my brother became a telecommunications technician. He was trained in a full government institution, which provided a core of trained apprentices. This no longer happens. Telstra has gone out of the game of providing newly qualified, trained young people to service its needs and the needs of the community, as has the New South Wales State Rail Authority and a range of other authorities. Back in those days, even if you go back only 15 years, the dominant need in Australia was the plain old telephone system, but we had a telephone system in transition.

All of the measures that we have seen so far in terms of cost reduction have, by and large, come from the transition from an analog network into a digital network. Continuing cost benefits will come not through so-called competition and certainly not through selling off a public monopoly. Cost benefits will come from a move into internet telephony and from using a lower cost base in order to provide services that have been provided in the past—not only for voice services but for data services which are increasing exponentially.

Consideration was given in the past, after this government determined that it would break up Telstra, as to how best to deal with the problem of a telecommunications system where the key network infrastructure was not being guaranteed and where the maintenance was not being done. Labor has argued for the last nine years plus, since I have been in this parliament, that one of the core responsibilities this government had was the renovation of the telecommunications infrastructure. What we have had absolutely ascertained recently from the new CEO of Telstra is that that maintenance of infrastructure has not been undertaken.

This is a betrayal not only of the past but of the future. It is a guarantee that the move from public to private monopoly will be at the expense of the Australian people, not just in terms of the current 30 pieces of silver—the $3 billion that has been put aside to buy off the electorate, to assuage the fears that they have with regard to future telecommunications needs—but it will be a betrayal of the fundamental responsibilities that governments have had since 1901. In 1901, the federal government had only three responsibilities: post and telegraph, customs and excise and the defence of the realm. This government seeks to completely obliterate almost all of those prime functions.

Mark my words, Australia Post is next. Yesterday in question time, the Prime Minister said, ‘No, we won’t be touching Australia Post. We wouldn’t even dare to think about doing anything to Australia Post.’ Yesterday, and the day before, he said, ‘No, the government have always been completely up
front about the fact that we wanted to sell Telstra.’ I beg to differ and give the lie to what the Prime Minister said yesterday.

As anyone in the coalition knows or should know, certainly if they were elected in 1996, the then opposition did not go to the election promising to sell all of Telstra. It was entirely conditional. They said, ‘What we want to do is sell just one-third of Telstra, 33 per cent. We don’t think we should actually sell any more.’ Indeed, when he was questioned by Derryn Hinch—I am thankful to the member for Perth, Stephen Smith, for including this research in his speech and I will utilise it—Mr Hinch said to him, ‘Why don’t you sell the lot?’ Mr Howard said, ‘Why? I’m not certain that selling the lot would be in the interests of the Australian community.’ He was conditional, as he always was—‘I’m not certain.’ What made him certain? Was it getting into government and being able to sell a third? In 1990 when there was a major debate in this chamber, this Prime Minister argued for the full sale of Telstra and he has always believed in it. He has believed in the complete destruction of government ownership of this key entity. Philosophically he is completely against government ownership and he is blind to anything else.

In the great debate before the 1996 election, Ray Martin asked Mr Howard, then the Leader of the Opposition, ‘Why sell a third of Telstra?’ Mr Howard said, ‘Well, no, no ... because we believe that the right policy mix is to sell a third and retain two-thirds.’ Did he really believe it at the time? Was it one of those non-core beliefs just as we had core and non-core promises in 1996? He has always believed that the government should not own Telstra, that it should become a private monopoly rather than being a public monopoly for which the government is responsible, because the Prime Minister believes in a government that is irresponsible with regard to its fundamental obligations as a Commonwealth government.

We have seen a lot in the time I have been in this parliament: firstly, the flogging off of the first third of Telstra, and then the proposal for selling off just another 16¾ per cent—just another bit to earn a few billion dollars through Telstra mark 2. When John Fahey was the minister responsible, as the shareholders who bought the heavily discounted first one-third of Telstra know, the Commonwealth paid an enormous amount to sharebrokers to sell the T1 tranche at a dramatically discounted price when payment was cut into two pieces—pay part now and pay the rest later, when you can. Those who bought the second tranche of Telstra, where half as much again was sold, have paid enormously dearly and have seen the value of what they bought dramatically reduced.

There is no single reason that should drive this government in this way, except its ideological passion and commitment to sell 51 per cent of Telstra. Government after government worldwide understands this: there is nothing philosophically wrong at base with a government owning all or part of its major telecommunications infrastructure and, indeed, taking responsibility not only for having it and providing the services but for updating it and making sure that the country has an advantage vis-a-vis other countries. Other governments understand that you cannot just leave that to market forces. In Australia it is not just a question of what happens out in the bush—what happens on the national highway when you cannot get a continuous GSM service from Sydney to Canberra because the right investment has not been made to ensure that the system works. It is exactly the same in Sydney: you cannot get a continuous GSM signal from one area of Sydney to the next as you drive through it; you get drop-outs all the time. And it is not due just to the number of people using it; it is
due to the fact that the network infrastructure is inadequate and not enough money has been put into it to make it work. It is a government responsibility to provide that.

Since 11 September 2001, step by step, very slowly, it has become apparent to this government and the United States government that there is a fundamental need to ensure the safety of the community at large across a range of different areas and one of the key areas where it is absolutely necessary is telecommunications infrastructure. Not only government regulation but government control, as we still have now with 51 per cent ownership, can ensure that the regulations are enforced. Does anyone out in the general market—any person experienced in the share market, any of the brokers connected with this or any of the business analysts—seriously think that an untrammelled Telstra, which is 100 per cent shareholder owned with no government ownership, will be bound hand and foot to abide by all parts by the regulations imposed by the government? History would say that, even with the government owning 51 per cent, that is not the case. We have seen that recently.

It is not just a case of one CEO changing over to another. Ask any Telstra technician, anybody who has worked in the exchanges or anyone who has worked in the pits in the last 10 years and they will describe the state of the infrastructure in our telecommunications area and what has not been done by Telstra or enforced by the government. They will tell you about the parlous nature of security at Australia's telecommunications nodes. They will tell you that it is possible for people to enter our telecommunications installations. They can do it now as private contractors who are not fully cleared for security. They know that there is an open door. Those who would seek to walk through that open door and dramatically impinge on our capacity to maintain our communications system—terrorists and so on—could do so.

All of those people involved in the share market in Australia also know that there is a giant bucket of money to be made out of the sale of the remaining 51 per cent of Telstra. They know because of the costs involved in T1 and T2. They know about the hundreds of millions of dollars that went out in fees. They know how much it costs to market this Australia wide and then overseas. They know that all of that money is a windfall for that part of the economy, but it all essentially comes out of the pocket of the normal Australian, who is being betrayed by this legislation.

What do we have? We have a new high broadband incentive scheme, gushingly announced by the Minister for Agriculture, Fisheries and Forestry as the spokesman on communications in the House. We have Connect Australia. This is the great new nirvana—the future proofing of the regional areas of the country by this government. The member for Maranoa spoke prior to me. He knows, as I do, that when Networking the Nation funds were expanded in his electorate they did not go to building fundamental new network infrastructure; they went to a teleconferencing scheme which provided high-cost teleconferencing that did not add to the fundamental capacity of the people of Maranoa to join the new network and digital age. It was an old technology that was extremely high in unit cost and really did not deliver.

The story of Networking the Nation is a sorry one, from Maranoa to other communities and electorates Australia wide. There was no combined, sensible, balanced approach to building up our national infrastructure; we had a hodgepodge of whatever was a good local idea to improve your communications system. That is not the way to do it.
The way to do it is not by buying off local electorates, by throwing money at them—a few hundred million here and there and another $1.1 billion for Connect Australia in order to buy off people and say, ‘We’ll future proof it and it’ll be okay.’ We need to improve the network we have, strengthen it, deepen it and ensure that it has the ability to change as we go into the future. I do not believe that we need to do that by going off to privateers to provide it. This is a central government imperative and one that this government is walking away from, ignoring the responsibility they have to the Australian people.

The financial impact statement for the main bill that we are dealing with in this debate basically says the government does not have a blind clue about what it is going to earn from this:

The full financial costs and benefits from a future sale or sales of the Commonwealth’s remaining shareholding in Telstra are difficult to quantify at this stage.

I’ll bet they are.

However the Government has stated that sale will only proceed when an appropriate return for taxpayers could be achieved.

We have heard that before, have we not? Tell that to the people who have T2 shares, and look at the value they currently have. If you combine T1 and T2—some people have a combination of both—you might be able to ameliorate that situation. But no-one knows what will happen in the current circumstances, with the plummeting of Telstra’s share price and the fact that the CEO has just said, ‘If we’re looking at profit forecasts, given that there hasn’t been appropriate expenditure on maintenance and on improving the fundamental network, we have to reduce our profit forecasts by 10 per cent.’ So it is no wonder they cannot work out when they might sell all or, more probably, part of Telstra in a series of future tranches.

The financial impact statement goes on to a series of reasons why they would have to do it: they would have to look at ‘overall market conditions’, ‘expected demand’ and all the rest of it. But the core lesson is this: if $30 billion, $25 billion, $22 billion or $32 billion is realised and that is put in part into Connect Australia and in part into the Future Fund—which will not future proof—why would you be such a dummy, as an individual or as a government, to deny yourself the future income dividend streams from Telstra of $1½ billion or $2 billion a year? Treasury itself has worked out that the minimum amount the government is denying itself as a result of deciding to sell the whole of Telstra is $140 million a year into Australia’s coffers. From now to kingdom come, the Australian government could have $1½ billion plus per year, and going up, because we own 51 per cent of Telstra. We had $3 billion to $4 billion in dividends when we owned it fully. This is a disgrace and the legislation should not go through. *(Time expired)*

**Mrs HULL (Riverina) (12.39 pm)—**We are in this House today to debate the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and other bills. The reason that I have taken the opportunity to speak in this House today is to state my position clearly on my views and thoughts about the sale of Telstra. That comes to the issues of future proofing, particularly in my electorate of Riverina. What my electorate of Riverina and what most Australians want is a reliable and low-cost communication system that provides equity of access and affordable access. I believe that the simplest way to achieve this would be to retain Telstra’s infrastructure as a public utility and to split off its retail business.

I have outlined my views and I have advised my party, the Prime Minister and Deputy Prime Minister of the fact that I do not
support the government’s Telstra (Transition to Full Private Ownership) Bill 2005. My view is primarily about the process of future proofing, current services, the experience that has been gained from having other utilities privatised in the past and what that has led to, and the concerns that I have about this whole process. As I have explained, it is my view that we should structurally separate the retail and the wholesale infrastructure, with the wholesale infrastructure being kept in government ownership to ensure that the people I represent in the Riverina have in future the quality and affordable access that they deserve and will undoubtedly have to rely on more and more.

Yes, separating that infrastructure would mean that minority shareholders would have to have their shares bought back, but that would not be impossible. Nobody has ever gone so far as to actually investigate the costs of this. It is my firm belief that, if you were to separate the infrastructure—particularly the infrastructure that is currently being subsidised in the marketplace, and that is the infrastructure that I have most concern with and the area that is letting down the people I represent, the PSTN—it would obviously bring further value to the retail sector and to the other business arms of the current Telstra services because they would no longer be maintaining this unreliable network of unknown quality. Obviously, that has to have some impact.

Let us look at the Australian Financial Review of Tuesday, 6 September 2005, at an article called ‘PSTN revenue pulled out of its socket’ written by Tony Boyd. He explains:

…Telstra’s core fixed-line phone business, called the PSTN, which generated revenue last year of $7.7 billion, had such high margins that the company had to work almost twice as hard to replace the lost revenue and lost profit margins.

The article also says that the government went forward and organised a rebalancing agreement with Telstra. When that rebalancing process ended this year, Telstra suddenly had no mechanism for offsetting pressures facing its PSTN business …

It is exactly that business where my concerns lie. Those are exactly the problems that I am confronted with every single day through my constituents. If it is not coming from the front pages of my local papers—the Daily Advertiser in Wagga Wagga, the Area News in Griffith or papers from other areas—it is coming from emails, letters and complaints through my constituency.

It is my very concern about this PSTN network that leads me to believe that the only way I am going to be able to guarantee services now and into the future is if the government retain this infrastructure and roll out broadband infrastructure into the future. If we are able to roll out broadband under government retained infrastructure, I believe the operation should be confined to a wholesale role, and we should sell this service to all retail carriers, including Telstra retail, under the same pricing structure. I believe this would ensure transparent competition amongst all service providers.

What we have now is the option to deregulate and privatise a monopoly—a monopoly that the majority of the people that I represent in the Riverina rely upon to ensure that they get equity of service. But that monopoly is not currently providing equity of service, and I do not understand how it can possibly do it after privatisation, when it is currently propping up the very PSTN that is the failure in my electorate. That fills me with grave concern about exactly how we are going to deal with issues like the one in Griffith—and I refer to the Area News—where we have people in Collina, a suburb in Griffith, saying that they are unable to receive
broadband or a telephone line at all in their homes. One piece I have from the *Area News* says that Telstra are hanging up on our region. It talks about a Collina man who has demanded some action after being told he could not get a home phone line connected because Telstra have run out of room on their exchange.

This is not an unusual thing; it is happening right across many areas of my electorate. There are other headlines. In the *Daily Advertiser* of Tuesday, 23 August 2005, an article outlined that for eight years Telstra have been promising to install phone line cabling at a business in west Wagga’s industrial area. It said that the 12 metres of cabling, covered only by lengths of plastic tubing, ran up the side of a building.

The news of phone lines basically being inadequate came at the same time that we were having this discussion about Telstra and the privatisation of Telstra. There were other stories about telephone cables dangling from a home’s fence. One report said that a telephone line at a Turvey Park residence dangles from the side of the fence, weaving in and out of the palings. At the front of the house, it drapes over the built-up brick fence which separates the yard from the street. We are talking about the largest inland city in New South Wales, Wagga Wagga. This is not an isolated suburb by any means; it is one of the core suburbs that have been in Wagga Wagga almost since its inception, yet it is still experiencing such significant failure.

Last week, a meeting was held with about 25 growers in Griffith. Of those 25 growers, not one had broadband, and they are all within five kilometres of an exchange. I find that pretty difficult. These growers are reliant on domestic and international markets. They are all still reliant, again, upon the PSTN that is failing and I am sure will continue to fail my residents because of the amount of money that will be required to get those services up to scratch. One of my constituents said that he was angry when he got a quote to get the same service with downloads that his daughter has in Sydney. It would cost him $400 per month to have that service, whereas his daughter in Sydney pays $29 per month. This is my concern about affordable access to services.

I have no doubt that we have made enormous moves forward in the provision of services. I am the first to admit to this House that what we have achieved with government funding propping up Telstra funding—government funding well in excess of $1½ billion—has been outstanding. I have mobile services where I have not had mobile services before. I have some broadband connections where I have not had broadband connection before. I have some ADSL where I have never had ADSL. There is no doubt that we have improved those services. But my major concern is that it is a small portion of my electorate that are receiving them. I have no doubt that the majority of my electorate are facing grave difficulties.

When I was Deputy Mayor of the Wagga Wagga City Council and we were going through national competition policy and the Hilmer report, we were told by COAG that we would be able to buy electricity cheaper, that we would be able to purchase off the grid. We were told that electricity prices would come down and that all was going to be wonderful. But what happened? You have to be huge to buy off the grid and get any benefit. Electricity prices have increased by around 25 per cent but, at the same time, access to electricity has been almost unaffordable for everyday, basic services if you want to put a service into a new area and you are responsible for that process.

For example, I know of a gentleman who wanted to connect electricity to his packing
shed in Hay, in my electorate, but he found the cost of doing that astronomical. He had to put in generators because the cost of getting access to the electricity was prohibitive. Export and domestic quality goods are packed in that shed. As I mentioned previously, one my constituents had a similar problem in that the same internet service with downloads that his daughter was getting in the city for $29 a month was going to cost him around $400 a month. In addition, one of my young constituents, who lives a few kilometres north of Ganmain, is trying to support distance education studies. His dial-up internet connection dropped out more than 20 times over a three-hour period while he was trying to study online. This is simply not good enough for me to accept that the amount of money currently on offer in this legislation will restore services in Riverina, let alone right across Australia. I have a major issue with the haves and have-nots in my electorate.

I received an interesting email the other day from one of my constituents in Gundagai in which they had forwarded an email from a business in New Zealand. The New Zealand business said in their email that they were a major international business that ran out of New Zealand and that they sold accounting software. They are a very professional organisation. Their email reads:

We are currently in the process of moving offices. Unfortunately, due to a whole series of errors and incompetence by Telecom, we have not been able to successfully transfer our phone and internet connections. This means that for a indeterminate period it will be difficult to contact us. Telecom are unable or unwilling to give a date when the situation will be resolved. We apologise for the inconvenience we know this will cause you, but the circumstances are totally outside of our control. Please direct complaints to this particular person at Telecom. With the impending possible privatisation of Telstra, Australian users might reflect on how bad service levels can become with a privately-owned, profit-driven Telecom monopoly, with no public accountability.

Admittedly, the minister and the government have put accountability processes into the legislation. The ACCC will be the group of people looking to ensure accountability and services. But, if we cannot make companies accountable now whilst we are in majority ownership, I find it very difficult to understand how we can direct that process on completion of Telstra’s privatisation.

Another issue is that the people who have raised concerns with me live in the new subdivisions in my electorate. I brought this issue up with councils about two or three weeks ago, when I launched an integration study into broadband. I believe that it is incumbent upon councils to require regional council licensing. You should not allow a subdivision to go ahead unless the developers and Telstra or other service provider put in the key infrastructure. That key infrastructure has to be the best available, and it should look towards the future. We need councils to be part of the local development plan, ensuring that telcos are rolling out the best possible infrastructure and that developers are taking responsibility for this. You can only do this through a special regional council licence.

This issue has been raised by Troy Whitford, from the Page Research Centre. He has done an enormous amount of work on telecommunications. He is by no means a protectionist like me; he is a free marketeer. I am a renowned protectionist; he is by no means one of those, but he still recognises that there is a definite need for agencies to contribute to the development of competition by making ducts, fibres and other infrastructure available for communication carriers and that our current regime does not encourage integration of assets by different owners, such as a local council or a telecommunications carrier.
I am very concerned that people in my electorate are accessing a service that will deliver basic entry level services when people in Canada, Korea, Japan and European countries have access to, and targets of, at least 20 times the intended roll-out. I have some of the best and most efficient producers in Australia in my electorate of Riverina. I have companies like Cassella Wine, the exporter of the year. It is a most amazing winery. It is a family winery established in Griffith, with an enormous business in the US, Japan, China and Germany. These people need world-class telecommunications to keep them competitive. The people of the Riverina require world-class telecommunications that will see them go into the future. But the general Joe, Fred, Edna and May in my electorate want to be able to take and make a call reliably and they want to be able to afford to do so. My grave concern is that this legislation will not be in their best interests. I cannot support the privatisation. I feel very strongly about this issue. Telstra Country Wide do a fantastic job in my electorate, but it is even better when the local member can be involved to ensure—(Time expired)

Mr HAYES (Werriwa) (12.59 pm)—Mr Deputy Speaker, I too congratulate the member for Riverina on her speech that we have just heard. I rise with the backing of approximately 70 per cent of Australians to oppose the sale of Telstra and to oppose the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and related bills. I stand with those who oppose the sale because I know, and the overwhelming majority of the Australian public knows, that a privatised Telstra will lead to increases in prices and decreases in services. A privatised Telstra will result in increased complaints and decreased telecommunications infrastructure investment and a privatised Telstra will result in an increased focus on profits and a decreased focus on customer service. My message to the government today is pretty clear: fix it, don’t sell it. This is a simple message, but one that must be heard. It is a simple message that the constituents in my electorate of Werriwa want to make sure that the government not only hears but also takes notice of.

This debate is a timely one, for me at least, because on Monday I finally received an answer to a question I put in the Notice Paper to the Minister representing the Minister for Communications, Information Technology and the Arts. Some 100 days after it was placed on the Notice Paper, I finally got a response. I was pleased to receive it because it pointed out the gross deception that this government is attempting to perpetrate on my constituents. In the response, based on information provided by the minister for communications, the claim is made that broadband services are available in all areas of my electorate.

Like the member for Riverina, I would like the minister to come to my electorate and give an explanation to the people who were led to believe that a broadband ADSL connection was available, only to be offered the more expensive and slower ISDN connection. Once again it is a case of the government being particularly careful with the language it uses about broadband. It is perpetrated to trick people in my electorate and others. Customers are being told that broadband is available everywhere. ADSL connections are advertised and people are told that the exchanges are ADSL enabled, but when connection is attempted, they find that it is only ISDN that is available.

The evidence from on the ground in my electorate is borne out by the evidence collected by National Economics. National Economics reported estimates that although 90 per cent of the population now had access to broadband, only about 35 per cent of tele-
phone exchanges are ADSL enabled—only 35 per cent! Even the New South Wales Farmers Federation—obviously no friend to Labor, I might add—is quite critical of this sale. The Farmers Federation has expressed concerns about whether the earnings from The National’s slush—I am sorry, trust—fund will be enough to provide the latest technology for the future. The results of the survey conducted by the New South Wales Farmers Federation in July this year found that 80 per cent opposed the sale and 52 per cent said Telstra was not meeting their needs presently.

The numbers are similar, quite frankly, in the outer metropolitan areas in electorates such as my own. Recently I raised the issue in our local newspapers and, as a result, my office received numerous complaints. The most common complaint that we received in response to putting this ad in the newspaper was unsatisfactory access to ADSL broadband. People in my electorate felt that, even though they were living on the edge of Australia’s most global city, they were missing out on the critical piece of infrastructure that would allow them to improve their education and the education of their kids and access to technology that would allow them to more effectively search for work. Small business people are equally affected. In my electorate, as in others, they have invested in technology to try and get themselves ahead of the competition. But they find that when they want to expand their businesses and use modern means of communication, their entry into the information superhighway is just another piece of infrastructure that appears to be still on the drawing board.

The anecdotal evidence from my constituents is backed by the Australian Communications and Media Authority, which reported in its telecommunications monitoring bulletin No. 30 that Campbelltown, in the outer metropolitan area of Sydney—just 50 kilometres from the heart of Sydney—has one of Australia’s worst telephone exchanges. They are not my words; they are the words of the Australian Communications and Media Authority. That is not the proudest achievement for the south-west of Sydney, but one that points to the fact that it is not just rural and regional Australia who are missing out. Outer metropolitan areas certainly are not getting the services they need, want or deserve either.

Telstra is struggling to provide the level of services demanded by customers now; it is failing to invest in the infrastructure Australia needs now. So what can we expect for the future? Maybe the unspoken reason why the government is confident that adequate levels of investment will occur in the future is that over the last few years a chronic underinvestment in infrastructure, as recently revealed by the new CEO, was actually at the behest of the government as it fattened Telstra up for sale.

The strangest thing about this debate is the long line of government members who have gotten up to support it. I find it very strange because generally there are very few on the other side of this place who get up to support other initiatives of this government. I can only presume that each is supporting it not because they agree with the sale but so that they can justify their claim for cashing in on the Telstra slush fund. I for one will not be surprised if most of the money goes to coalition electorates. It has happened before, not only with the Regional Partnerships program but also with the Connect Australia fund—79 per cent of applications and 72 per cent of approvals. As a result, 72 per cent of funds were allocated to coalition held electorates.

Government members continue to come into this place to try and praise the decision to sell, and to start their bidding for a slice of the Telstra pie. I remember distinctly the bid
by the member for Bass, who claimed that he supported the sale. He said:

Bass, like so many other parts of regional Australia, is in a position of need. This government’s package of measures that we are debating tonight has great potential to address the issues of concern …

With that statement, another coalition member joined the veritable parade of privatisation proponents desperate to reach in and grab their fistful of dollars out of the Telstra pot of gold. If the reason that the member for Bass supports the sale is that his electorate is in a position of need, then I believe he would be better served by crossing the floor and joining the opposition. If he welcomes moves to improve telecommunications services to his electorate, he should stand with us to support Labor’s desire to see Telstra fixed.

Members opposite have also accused previous Labor governments of not being up front about the privatisation of government business entities such as Qantas and the Commonwealth Bank. I say to them that the fundamental difference between this situation and the privatisation of other government businesses is that those governments were not taking a public monopoly and making it a private monopoly. Previous Labor governments have not transferred the potential to earn monopoly rents into private hands. Members opposite may claim that there is competition in telecommunications but, let us face it, even the Telstra bosses admit that competition is really only occurring in low-cost areas.

Concentration in the telecommunications market has not been fundamentally diluted. Telstra remains a monopoly—the revenue figures tell that story. Currently, Telstra earns 75 per cent of fixed-line voice revenues and has an 82 per cent market share of basic line rentals. It earns 79 per cent of revenues from the broadband market. This situation and the level of concentration in the market is the fundamental difference to what was faced by government businesses privatised by previous governments. This sale is another example in a growing list where one thing is said prior to an election and something vastly different is said and done after it.

I would like to offer fair warning to members opposite and to coalition members in the other place that the Australian public has a long memory. As far as the public is concerned, actions speak louder than words. The crux of the issue before us today is not how much the government might get from the sale, how much each coalition member who records their vote might get from the Telstra slush fund, nor the relatively small size of the fund itself. Quite frankly, the key issue is fixing Telstra so that it can be productive within the Australian economy.

Telstra has admitted that its services now are far from up to scratch; that the board, the management and probably even the minister have been asleep at the wheel for the last few years and that the services have gone downhill. This is probably the single most disturbing thing about the whole Telstra fiasco. Here we have a company that comes under government oversight, where the majority of ownership is in government hands, where the government appoint the majority of the board and the government are supposed to keep a watchful eye, with the minister for communications, well and truly tracking this organisation. Yet we have found that this organisation is well on its way to ruin.

The Australian public, me included, are now rightly asking what is going on. If this was allowed to happen under government ownership, what sort of future proofing are customers going to have when Telstra is transferred into private ownership? Are we looking at another One.Tel situation just over the horizon on a scale never before seen in
this country? Certainly the possibility is not too far from the minds of many members of the Australian public today. Oversight will be reduced and we have already seen the willingness of this organisation to flout the disclosure laws of this country. What is going to be left to stop them in the future?

The problems that the government is trying so hard to run away from with these bills were pointed out to the Prime Minister and his senior ministers on 11 August this year. They were not pointed out by the opposition; they were not pointed out by the media. They were pointed out to the Prime Minister by the people who run Telstra. They were pointed out by someone who had only just walked through the doors of the organisation, someone who had only just taken over the role of CEO. With his management team, he had a look at the current state of the business. That is telling—at least it was for the share market. The Prime Minister and his colleagues had it pointed out to them that, given the state of the network, the amount of money required to bring it up to speed was astronomical.

People are already asking what the state of our telecommunications system will be under a privatised Telstra. They already know that things are not that great and wonder—if the government cannot even get it right now—what compulsion there will be on a privately owned monopoly to get it right in the future? Both the Prime Minister and the Treasurer have claimed that they are not distressed sellers.

Yesterday we heard from the Minister for Agriculture, Fisheries and Forestry that this bill was the culmination of many years work in convincing the electorate to support the full sale of Telstra and that the government had waited over a period of four elections to set about privatising it. Despite the minister’s clear misreading of the views of millions of Australians, if the government had been able to wait for four elections and it is not a desperate seller, as the Prime Minister and his Treasurer claim, then why are they selling it now? Why have they decided to push ahead with a sale after the share price has plummeted? The estimates contained in Budget Paper No. 1 show that the proceeds of the sale of Telstra are more than $11 billion a year for three years, starting in 2006-07. These figures are based on a share price of $5.25—yesterday the Telstra share price closed at $4.34—a mere 8c above its 12-month low. If the government is not desperate, it would reconsider this sale because it will put extra pressure on the budget position and extra pressure on public debt interest costs. However, it seems to me that the government really is desperate to sell so that it can distance itself from the disorder it has allowed to develop.

The Prime Minister clearly does not want to take any sort of responsibility for the serious problems facing Telstra that he has so far turned a blind eye to—he was not even sure this morning what his ministers knew—at least according to the ABC view I heard on AM this morning. The Prime Minister clearly wants to get rid of the problem as quickly as he possibly can so that he does not have to answer the tough questions and does not have to face up to what has clearly been a gross dereliction of duty by his government.

But the arrogance of this government does not stop with the Prime Minister’s desire to avoid answering the tough questions. In yet another example of the arrogance of this government, in today’s Australian an advertisement appears calling for submissions to the Senate inquiry into the Telstra privatisation bills. Clearly, the advertisement was put together in haste because it contains a spelling error but, what is worse, the submissions close at midday tomorrow! So if anyone wants to make a submission, they have to
have that in by midday tomorrow. This government does not want to hear the concerns of Australians—be they business or residential customers—because they know the Telstra sale will be roundly condemned.

In a modern, globalised economy like our own, telecommunications infrastructure has transferred from the luxury it might once have been to an absolute necessity. Investment in high-quality communications and high-speed data transfer is part of the investment in the productive capacity of the Australian economy. It is no longer good enough to have an adequate telecommunications system if the basis for our ongoing economic development is innovation and export. 

(Time expired)

Mr CAUSLEY (Page) (1.19 pm)—I have been listening closely to the contributions from members opposite to this debate on the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and related bills and I have not yet heard one considered or reasoned argument as to why Telstra should not be sold. I have heard a lot of rhetoric and I have heard a lot of opposition. I have heard a lot of the usual things we might expect from those opposite, but no reasoned or considered argument.

The Leader of the Opposition yesterday said that the Labor Party would not sell Telstra and that he was very proud of the fact that he had introduced competition into telecommunications. Mr Deputy Speaker, I put to you that if you say you have introduced competition into telecommunications when you have allowed Telstra to continue to own the network as well as being the principal player in the whole telecommunications field, then I fail to see how any competition could exist. That was the principal problem and that is where the whole issue started. Telstra should have been privatised the day, or very soon after, we had competition in the telecommunications field—not just for the benefit of Australia but for the benefit of Telstra. Telstra has had to try to operate with its hands tied behind its back, especially in recent years when the government has had a major shareholding. Telstra is governed by a board and has to abide by the regulations and rules of any other board, yet it has tried to run a business with its hands tied behind its back.

I have always believed—and I think most other people have believed—that, if the Labor Party were going to get it right originally, they should have corporatised the distribution system separate to the business. Then we might have got some real competition in the field. Over the years Telstra have managed to stifle competition. I think many members here, if they were honest with themselves, would know that and would have examples of where, when customers have gone to other providers, Telstra have either delayed repairs, delayed access to towers or delayed access to networks to deliberately inhibit the ability of the competition to compete on a level playing field. And that has done nothing to encourage or speed up competition in telecommunications in Australia.

Having said that, we seem to have a very short memory about some of the things that have happened. On numerous occasions I have heard members opposite talk about the increase in line rentals. That is true: line rentals have increased. But we seem to forget some of the other areas very quickly—for instance, that local calls from a local exchange are now 15c, not 35c. What has that done for the ability of Australian business to compete? I am pretty sure that any member in this House could go to their business community, whether it is in a large capital city, a country community or a regional town, and ask them what they have saved in telecommunications. It is quite substantial. The figure I have seen is that the average

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Australian household saves $750 a year in telecommunications because of competition—and it could have been better if it had been handled better.

We seem to forget all of those things. We also forget about what has happened in regional centres. I know that many people in this House travel out into the regional centres. In my electorate of Page, which runs right into the McPherson Ranges on the Queensland border, I have areas like Bonalbo, which is a very small country town just west of Casino. Because of the set-up of the STD areas, even though Casino was their major centre, every time they phoned their local distributor for produce or whatever, it was an STD call. That is all gone now. It is a local call these days. We forget about those things.

I have also heard members opposite rave on about mobile phone systems and about how even at the periphery of cities the phones drop out. That may well be true; I know it is true in my area. But I also remember that it was the Labor Party who abolished the analog service, and I can tell you that in my area analog did not drop out. You might have lost the signal for a while, but if you hung on the signal would come back. Many of the problems that we are having with the mobile phone network today go right back to that decision to abolish analog. The government has been trying to help out there, and I think in many ways it has, although my area will always be a problem because it is a very hilly area. With digital technology, as we know, if you are out of line of sight it drops out. That is always going to be a problem.

I also want to talk about isolated Australia. I have many friends in isolated Australia and they have had very poor telecommunications over the years. They have always battled with telecommunications. But I can tell you that, with the subsidised satellite technology we have today, they have been saying to me that they have never had a better service than what they have today. All of that has been done because the government have been prepared to subsidise these areas, through such things as the broadband roll-out and the HiBIS.

Broadband is a relatively new technology and, yes, we all want it. There is no doubt that is good technology, but it is relatively new and it is not rolled out completely at present. But I have companies telling me they can do it in a different way. I have companies saying to me, ‘We can use wireless technology,’ which Telstra do not seem to be using in many areas at present. That wireless technology, especially in a small centre, can reach 30 kilometres and it can give you a speed and price that are competitive with cable. But that technology is not allowed in the marketplace at present because we are not getting the competition.

There is all this doom and gloom. I listen to the Independents, and all we hear from the Independents are the problems—as Hanrahan said, ‘We’ll all be rooned.’ The member for New England seems to be bitter and twisted in many ways. All we hear from the Independents are all of the negatives. Let us look past those. Let us look to the future because that is where the technology is going and we need to see that that technology is available. That is why the government are separating out the areas of distribution in Telstra from the areas of business so that at least all of the competitors in the marketplace will get the same charging price on a level playing field and we will get real competition.

I have no concerns about this. Obviously we will very quickly see some competition in the marketplace. Telstra is well aware of that as well. We have had a great debate in recent days, with claims from Mr Trujillo that he
would like $2 billion or $3 billion from government for his business. I am sure the other competitors out there—and there may be 100 of them—would not mind a couple of billion dollars from the taxpayers as well. That was a try-on, because Mr Trujillo knows that the government wants to sell Telstra: ‘Let’s try it on to see if I can get a few billion dollars out of the government to bolster my coffers. I’ll be a great CEO because I’ll be able to show what I’ve done with the company.’ But who would give Telstra $2 billion if it were just going to go into the coffers of Telstra? It was fairly obvious that the government would make the decision not to do that. But we certainly need to get competition into the marketplace.

Let me say something about the share price. I think there are a lot of contributors to the share price at present. The opposition cannot sit there and say that they are not in some way contributing to pushing the price of Telstra shares down. If you are going to come in here and be negative and talk down the business every day and if you are going to get negative headlines every day, of course the share market is going to react. But let me say something to you, Mr Deputy Speaker: I am pretty confident. I would say to those mum and dad investors out there: ‘Don’t sell your shares. You hang onto them.’ I would even say to them, ‘If the price is going to stay at around $4, buy some,’ because I am very confident in my mind that, once Telstra is privatised and allowed to operate in the marketplace, the shares will rally very quickly.

Telstra is a very great Australian company and yet we seem in this place in every way to be trying to knock it down and destroy it. We do not want to let it run free; we do not want to let it go as a company should go and compete in the marketplace. That is something that I have always argued against. I have always believed that Telstra should have been privatised and I have always believed that we would get better services if it were.

I believe that the government, especially with the money that is being spent on the subsidisation of some of the services where we have a non-profitable area, is doing nothing wrong. You will always find there will be a non-profitable area in telecommunications until we get the technology of satellite, which the experts tell me is not quite quick enough at the present time. When we get satellite technology, which I am confident will come, everyone will be on a level playing field, because everyone will access the satellite for the same price. You will then not need the support in some of these non-profitable areas. There is nothing wrong with what the government is doing. I hear all the accusations that are coming from the other side about The Nationals doing this and The Nationals doing that. We will always stand up for the rights of the people we represent, and I am sure that other members will do exactly the same thing. People quote percentages and say that the amount of money that is going to be put forward to support some of these technologies is going to go more to seats held by the government than to seats held by the opposition. We should have a close look at the representation in this House and see who represents those isolated areas of Australia and see who represents Sydney and Melbourne. I think you will soon find that it is this side of the House that represents the vast majority of those areas.

I have said all along that I am confident in the measures that have been put in place by the government due to the fact that we are going to guarantee services in those areas of non-profitability and the fact that this government has the track record. We were the ones who put in place the regulations to guarantee that people could get their phones connected and their repairs done in a reasonable time. I recall very clearly—it is not that
long ago; in fact just before this government won office—that you had to wait over two years for a phone connection. Now if we have to wait three months we complain, and I suppose we should. Telephone connection has certainly improved. And not just that. If you have a look at the statistics fairly closely, you will find that there is a decline in fixed lines in Australia. The main reason for that is that mobile technology is taking over more and more. I dare say that, as our children and their grandchildren come through, with the way that they are using mobile phones, it will certainly increase even more. People do not want to pay the line rentals. They see that they can use their mobile phones. When they shift, if they move from one town to another or they shift around the country, the same number follows them. They are seeing that that technology is better for them. We know that the competition in the mobile phone market is extreme. That has benefitted that particular niche of the market.

I cannot see why competition will not benefit other areas of the market, including broadband, because, as I said before, there are many new technologies in broadband. Technology is available today whereby companies can hire electricity lines to run broadband. If you have electricity connected to your home, a company can offer you broadband through the electricity lines. We are not hearing about that, are we? We are not hearing very much about it because the competition is not there at the present time, but it will be. I am sure that Telstra, with the ability, expertise and power they have in the marketplace, will soon be out there into those technologies as soon as they are freed to do so. At the present time they are absolutely hobbled.

Let me go through the argument that I have used in this House before. I think it is a very cogent argument. Technology is changing rapidly all the time. That is not a statement that is going to be a great revelation, but it is the truth. Technology is expensive. It would not be beyond the realms of possibility that a new technology might cost $10 billion or more to roll out, but let us say that it is $10 billion. At the present time under the laws that we have in this land, if Telstra wanted to go to the marketplace and raise capital to go into new technology, it could not do it. The laws at the present time say that the government has to be a majority shareholder. Yes, they could go out to the marketplace and say, ‘We are going to raise 49 per cent of $10 billion in the marketplace and we will go back to Treasury and get $5.1 billion.’ I was minister for many years in New South Wales. If you want to go to the Treasury to get $5.1 billion, I wish you a lot of luck. I think I managed to get $340 million out of them once for some projects in irrigation. That was most I could ever get out of a treasury.

Telstra is hobbled. It cannot compete. The competitors that it has at the present time are looking at the cherries and they are saying, ‘How do we pick some of these cherries?’, because that is where the profits are. Naturally, Telstra is trying to protect that, because that is the profitable area of the marketplace. The others are not going to go out into the non-profitable areas. We need some of the support that we have in this legislation, for the time being at least, to protect those unprofitable areas. Many of those unprofitable areas are in the regional centres that I and other Nationals and some Liberals represent, but they are not all there. I am the first to admit that in the periphery of cities you will see just the same thing. If companies are saying to me that they have the marketplace in a small regional town if they are allowed to compete, I will guarantee you that there is a marketplace in the suburbs of the cities. Just let the market work.
Having listened to what I just said about raising capital, people should realise that when we hear that the Labor Party opposite is saying, ‘We won’t sell Telstra,’ we have not heard from them what they are going to do about the $125 million or the $100 million a year that is being spent at the present time to support unprofitable services. If history tells us anything, it is that those opposite will not be spending the $100 million or the $125 million. Regional areas of Australia and the suburbs of the cities will not be getting any extra support. We have not heard anything about that. Those opposite just say, ‘We won’t sell Telstra.’

I will bet you something; I will guarantee this: if by some fluke the Labor Party gains office—and I cannot see it happening in the next decade—the excuse will be ‘We didn’t realise it, but Telstra is in a terrible situation and it will have to be privatised to allow it to compete.’ I would agree that that would be a very sensible and reasonable suggestion, but it will only come if those opposite are in government.

I have seen it before. I saw a fellow called Bob Carr say that he would remove a toll from the M4, as I believe the road was called at the time. The government of the day said, ‘You can’t do it, because there’s a contract which says you can’t do it.’ Nevertheless, Bob Carr went to the election saying, ‘I’ll take it off. I’ll do it.’ Mr Deputy Speaker, you would not want to know. Three months into his government, he said, ‘I’ve just found out something. I can’t do that. There’s a contract.’

We are going to see exactly the same thing here. I take with a grain of salt what the Leader of the Opposition says about the sale of Telstra. The best interests of Australia would be served by selling Telstra, and I would support doing that. But there is one thing I would not support—the way those opposite spent the money that came from the Commonwealth Bank and Qantas. It was just squandered.

What the Labor Party is doing at the present time, in talking down the sale price of Telstra, is robbing the Australian taxpayer of $4 billion to $5 billion at least. The government does not own Telstra; the taxpayer does. If you can get the real value for Telstra, that is going to pay off debt. It does not have to pay off debt now: it will go into consolidated revenue, which even you will have in government. It is just an absolutely ridiculous situation that you are talking down the price of Telstra at the present time and robbing the mums and dads of Australia.
searched their hearts, would have serious reservations concerning the coalition policy to sell Telstra. I will name a couple of them: my good friend the member for Mallee, John Forrest; and my good friend the member for Grey, Barry Wakelin. From two areas that I grew up in as a child, I know for a fact the problems that people in small towns and regional areas face when it comes to accessing Telstra services.

The 150 of us in this place represent unique sectors of the Australian landscape. Those who represent inner city electorates in our six capital cities generally face fewer problems with Telstra services than do those who have large swathes of rural and regional areas in our electorates. I am one who has a blend of urban, rural and isolated portions. My constituents face the full range of telecommunication hassles that arise from this being so.

My electorate in southern Tasmania, the southernmost electorate in Australia, faces some problems and telecommunication deficiencies that are similar to those of the member for Mallee in Victoria, yet different. Distance from the exchange, the topography of one’s electorate, proximity to the national highway system and the marginality of the electorate in political terms all contribute in some way to whether one’s constituents are blessed with the full range of telecommunications options expected by Australians in the year 2005.

Telstra, like all the major players in the Australian economy, placed their best endeavours in the areas of best return. It makes sense, especially if you want to be responsible to your shareholders. Those areas of best return are the five largest capital cities. That therefore excludes my wonderful capital city of Hobart. Those on the periphery are subject to the hit-and-miss whims of the corporation. If you happen to be residing in the right street or subdivision, you get great services and the full range of options. If you do not, you join the line of those who are forced to call the various 13 or 1800 numbers asking why and why not.

I find it hard to fathom why this monolithic telecommunications provider, Telstra, has not had the corporate ethos to provide each and every Australian household with 21st century technological options. A visit to your local Telstra shop will see you bombarded with literally dozens of mobile phone options. Wander in a month later, and many mobile phones will have been superseded and more phone options will be available if you trade in your old Nokia or Motorola mobile phone.

To me, in the year 2005, it seems somewhat ironic that I can stand on the Great Wall of China and call a mate in my electorate to find out the latest AFL scores, yet if I tried to phone him from Dover, 80 kilometres south of Hobart, a beautiful little town in my electorate, on the same phone, on any given day, a message would come up on my mobile saying ‘No signal’.

However, away from the Sydney boardrooms of Telstra there does beat a heart in tune with the needs of its customers. As I said at the outset, I say it as I see it and I give praise where praise is due. I am speaking about the Hobart office of Telstra Country Wide. I well remember driving down to Dover to attend a function when Telstra Country Wide played its first advertisement on commercial radio in Tasmania. I was about to lose my mobile phone coverage, having just left Geeveston, and I stopped on the side of the road and called the number advertised by Telstra Country Wide. A young woman answered my call. I explained who I was and informed her that I was rather dubious about the grandiose advertising being promoted by her company, given that I would soon be out
of mobile phone range and our conversation would accordingly cease. I suggested to her that the Tasmanian manager might like to give me a call and I would enlighten him or her about my concerns about Telstra, its services and its deficiencies.

I was delighted and somewhat surprised to receive a call a few days later from Margaret O’Rourke, Area General Manager, Hobart and Southern Tasmania, to arrange a meeting with me to discuss the areas that I mentioned. At that meeting I politely suggested that she or someone in authority in her company might like to drive from Hobart to Dover via Geeveston and return along the Channel Highway via Cygnet and Margate back to Hobart and try to contact the Telstra Country Wide office in Hobart every 10 minutes just to see how effective, or ineffective, the mobile phone coverage was in that part of my electorate. It was agreed that this would be done—surprise, surprise! Many new towers were then installed along both highways. CDMA coverage was also installed so that fishermen operating off this treacherous coast could operate in safety and security. I would personally like to thank Margaret, Anna, Leesa, Colin, Col, Adrian, David and Kaye for their positive assistance when I or my staff call for help from Telstra Country Wide.

Tasmania being Tasmania, where you get to know the movers and shakers, things like this can happen. Networks operate and people in authority usually find it hard to hide from their responsibilities. Yet, sadly, in other areas of Telstra’s networking, the story is not so rosy. Many of my constituents are very angry and upset with Telstra about the lack of services that Telstra should provide. Telstra acts as if it were a monopoly and, in spite of competition, it controls the network and access to it. It controls the pricing structure and, subject to controls by the Australian Competition and Consumer Commission, acts in a predatory manner on many occasions to stifle or eliminate competitors. Recent calls by the new CEO of Telstra, Sol Trujillo, for relaxation of the regulatory regime is another example of Telstra’s wanting to be an unfettered monopoly.

Only a monopoly operator would install pair gain technology in a brand new subdivision in Kingston, in my electorate. Who would install a duplicate infrastructure to provide such competition? The dual roll-out on main trunk lines ceased some years ago, so there is no prospect of a better cable network in Kingston unless Telstra installs it. So do Kingston subscribers have any chance of a better service? Certainly not from a privatised Telstra. Kingston is only 12 kilometres from Hobart. It is a growing metropolitan suburb that should have access to the full range of telecommunications services. The next door suburb, Blackmans Bay, is growing even faster and, sadly, has worse telecommunications access than Kingston. Here we are talking about suburbs that are 12 kilometres from the Hobart GPO.

Could we really expect a private monopoly operator to care? Subscribers will have no option unless the government’s regulatory regime demands that the technology be provided. Here the government has no conflict of interest. The major shareholding should be in the name of the Minister for Finance and Administration, with the regulatory regime the responsibility of the Minister for Communications, Information Technology and the Arts. The minister for communications must preside over a network that is technologically up to date. The regulations and policy must demand that telcos provide subscribers, in a timely manner, with copper wire, fibre-optic cable and whatever else in the way of technology follows. As long as the government does not strip Telstra’s reserves for special dividends, Telstra will have the funds to upgrade its infrastructure.
As long as government policy demands it, Telstra will have to deliver it. As long as the government has a majority shareholding in Telstra, it can force Telstra to deliver.

I honestly and sincerely believe we cannot afford to leave Australians in the hands of a privatised Telstra, its corporate lawyers and its predatory marketers. Telecommunications supports and is vital to the national interest. Regional communications are not up to the mark, and those of us who represent seats far away from the CBDs of the six major capital cities all know it in our hearts. Why, I ask, after years of competition is the situation no better than it was 15 years ago? The short answer is that there is no money in it for the minor telcos and no money in it for Telstra. Only Telstra can do it, and Telstra will do it only if it is put on a leash and told to do it by its majority shareholder, the Australian government, for the people of Australia.

My primary responsibility in this place is to look after the best interests of my constituents. When it comes to Telstra providing them with the very best services and the very best technology, they are being short-changed. The damaging report released this week highlights just what a mess Telstra is in. The company said that Telstra’s main market, the fixed line telephones, was in meltdown and that almost 14 per cent of all phone lines had faults. If that was not bad enough, the report showed that Telstra received 14.3 million fault calls in the past 12 months, the company was bogged down with obsolete equipment, it had an ageing workforce, there was a lack of training for new workers and its outdated IT systems were not up to the job. The report also found that Telstra needed to make $1.74 on all of its other services to cover every $1 it lost on fixed lines.

As someone who has spent close to 13 years representing people in the bush in Tasmania in the south, the move by this government to sell Telstra will harm my constituents now and in the future. We on this side obviously do not have the numbers. If, as expected, the National Party senators weakly submit, then these bills will pass both houses. I dread to think what services will be available from a privatised Telstra to my constituents long after I leave this place. I really worry what is going to be the state of telecommunications in my electorate of Franklin five to 10 years down the track. I totally oppose these bills.

Mr TUCKEY (O’Connor) (1.53 pm)—The member for Franklin has just given us 20 reasons to sell Telstra. His fundamental argument is—and I will repeat his quotes to him—that it is lousy but, if we keep it, it will be better. He accused the government of stripping funds from Telstra. If it does not own any of Telstra, it cannot do that. I deny that it has. He said the government’s majority can be used to force Telstra to deliver.

We learnt last week how effective our majority ownership is. The new executive gave us a belting in the press, and all we could do was complain about it. Why? Because the company act, something to which I would think the absent member for Franklin was a contributor, designed in this case to protect minority shareholders, says that the majority shareholder—and it does not differentiate between governments and the general citizenry—cannot influence the board in a manner that might be detrimental to other shareholders.

As was pointed out in the House yesterday, there were some other laws brought in when Telstra was first corporatised that also restrict the government’s involvement. And so they should. If you are going to privatise a business and then, as a government, tell the directors how to run it, you had better make up your mind. The member for Franklin said
about three times that only Telstra can do it if influenced by its majority shareholder. He went on to say what a mess Telstra is in. But, as I said, his argument is that the only way to stop Telstra being a mess is to keep it the way it is. I cannot understand the logic of that.

The member for Franklin gave us a litany of reasons why a hybrid Telstra does not work, yet he argues to keep it. That is in total conflict with what his colleagues did in the past. One time Prime Minister Hawke referred to privatisation per se as an obscenity, until his government ran out of money. Then, suddenly, it had to be revisited, and all sorts of philosophical positive arguments had to be produced. The greatest asset in that process was that the opposition of the day, the coalition, stuck to its principles and said, ‘We agree with you.’ We saw CSL sold to the great benefit of many shareholders—

Mr Bowen—Was that a monopoly?

Mr TUCKEY—CSL was a monopoly at the time in Australia. What is more, it has now become an international company of presence, because it was sold in one tranche. The then government sold the old government airline, Trans-Australian Airlines, off to Qantas, and then sold Qantas. Then—surprise, surprise!—they attack the icon: the Commonwealth Bank. What did they tell the investing public by way of a prospectus? They told them that they were putting 19 per cent up so that the public could have a little bit of the Commonwealth Bank. If Alan Bond or Holmes a Court had tried this trick, they would still be looking out through the bars. The then government gave a prospectus guarantee that they would never sell more than the original tranche, which as I recollect was 19 per cent.

What did the then government do? They thought they would run out of money so they decided to sell a bit more. The only reason they got it through caucus was that Keating was able to go in with his offside, the present Leader of the Opposition, and say, ‘Fellows, it is no problem. The opposition are not going to play mischief or come up with silly arguments. The opposition are going to back you, because they believe in privatisation.’ We were not short of money—we were the opposition.

The then government suddenly thought that they were short of money again, so they decided that they had better sell the next bit. Then the union—those very important people to the Labor Party—got a little bit fizzy. The Commonwealth Bank had its own union. It had so many employees it needed one. So what did the then government do? They wrote a letter, which I think was signed by the then Prime Minister, saying, ‘We promise faithfully that this sale will never go’—

An opposition member interjecting—

Mr TUCKEY—This was on the Prime Minister’s letterhead, mate. The fact of life was that the union movement was promised that they would never go past 49 per cent. What bigger sin can be practised in the Labor Party than telling a lie to a trade union leader? But you did it. It is black and white, isn’t it? You promised not to sell any more.

The SPEAKER—Order! The honourable member will be reminded that the use of the word ‘you’ is to be discouraged.

Mr TUCKEY—I apologise profusely! Let me repeat: the Labor Party—I want everyone on the radio to know who I am talking about—told a lie to the trade union movement. They committed the ultimate sin on the Commonwealth Bank. When we resume the debate, please come back to hear the rest.

The SPEAKER—Order! It being almost 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will
have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Fuel Prices

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. Is the Prime Minister aware of reports suggesting that profiteering has contributed to sharp jumps in the price of fuel over the last few days, and that retail prices have been increased before the costs of crude oil have flowed through? Will the Prime Minister seek an ACCC investigation to stop these practices, as proposed by Labor on 22 June?

Mr HOWARD—The government will examine any serious allegation of profiteering, and if a reference to the ACCC is likely to produce something beneficial to the public that reference will occur. I remind the Leader of the Opposition that the cause of high petrol prices is the high price of oil. Any attempt to argue otherwise by the Leader of the Opposition flies in the face, amongst other things, of the arguments of the chairman of the caucus economic committee, the honourable member for Rankin. Writing in the Age on 20 July this year, this is what Dr Emerson had to say:

Australia’s record petrol prices have one cause and one cause only—high world oil prices.

I say to the motorists of Australia and to the Australian public that I fully understand their anger at the price of petrol. I wish it were lower. I do not take this matter lightly. I sympathise with them. I am glad that strong economic conditions mean that the pain of high petrol prices is not as great as it might otherwise have been. But I am not going to mislead them. I am not going to pretend that by having an inquiry, by setting up a committee or by referring this to some other body we will miraculously be able to bring the price down.

I notice that some of the state premiers are running around saying, ‘Something has got to be done.’ If they collectively can control the supply of world crude oil and if they collectively can do something to bring down the price of world crude oil, I will convene a weekend meeting of the Council of Australian Governments and take their advice. I will put off anything to hear their views. I doubt that they will seriously pretend that they can do other than posture and score political points. This is not something for political point-scoring.

I say to my fellow Australians: if there were a way that I could bring down the price of petrol I would move heaven and earth to do so. But I cannot do that, and I am not going to pretend I can with some kind of gimmick or artifice or by having some kind of pretend inquiry—we have had probably a hundred or more inquiries into the price of petrol over the last 20 years. It just demonstrates the barren policy alternatives of the Leader of the Opposition that he would pretend otherwise.

Work Force Participation

Mr ROBB (2.03 pm)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House of the labour figures for the month of August, which were released this morning. Prime Minister, what does this data tell us about labour force participation rates?

Mr HOWARD—I thank the member for Goldstein for his question. The employment figures released this morning show a very strong picture of the Australian labour market. They show that, over the last 12 months, there have been 400,000 new jobs created in the Australian economy. That is the largest number of jobs created in a 12-month period—not since 1978, not in the last 30 years but in the whole of Australia’s recorded history. We have never had a 12-month period
when more jobs have been created. With 400,000 new jobs in the last 12 months, this is the largest 12-month increase in new jobs ever achieved.

There have now been 1.7 million new jobs created since the government has been in office. In August our unemployment rate remained at five per cent. This is a 30-year low that comes off the back of yesterday’s growth figures, which show that the Australian economy is now growing very strongly off the back of strong business investment and an improvement in Australia’s terms of trade.

The striking feature of this morning’s figures, and it was alluded to by the member for Goldstein in his question, is that the participation rate is now at a record high of 64.8 per cent. That means that people are confident about getting a job. It means that more people than ever are trying to get into the labour market. It means that we are living in an era which is beneficial for the employees. This is an employees’ market; it is not a bosses’ market. It is a workers’ market, because there are opportunities such as there have never been before. This is a workers’ market the likes of which this country has not seen since the end of World War II. This is coming off the back of a very strong economy.

So I say to the working men and women of Australia, as I said to them yesterday when we recorded those wonderful growth figures, that I thank them for the contribution they have made to the strong labour market. I thank them for their adaptability, for their dedication, for their commitment, for their cooperative attitude and for the willingness of the working men and women of Australia to take advantage of the opportunities that exist in the Australia of 2005. This is a golden age for Australian working men and women. I am very pleased indeed that they are getting the benefits of it. They are getting higher wages. They are getting lower taxes. They have low interest rates. They have more job opportunities, and I am only too pleased that they are able to enjoy the benefits of that economic situation.

**Telstra**

Mr BEAZLEY (2.06 pm)—My question is to the Prime Minister. I note the Prime Minister’s reliance on legal advice to explain why he did not disclose the true state of Telstra to shareholders and the public. Remembering that the meeting with Telstra executives was on 11 August, when did the Prime Minister seek and receive this legal advice?

Mr HOWARD—It is in an act of parliament.

**National Security**

Mr WOOD (2.07 pm)—My question is addressed to the Attorney-General. Would the Attorney-General advise the House of the government’s ongoing commitment to a robust counterterrorism legislative framework? Are there any reforms the government is proposing to make the system more effective?

Mr RUDDOCK—I thank the honourable member for La Trobe for his question. I think all honourable members know of his background, experience and interest in matters relating to the protection of our community. I think he knows as well as anybody else in this House that we cannot afford to be complacent on these issues. Our terrorism laws have so far proven to be effective, resulting in the arrest and conviction of a number of people here in Australia. However, terrorists have shown that they are, if anything, resourceful, innovative and determined, and we have to make sure, in relation to our laws, that we stay one step ahead of them.

Following the terrorist attacks in London, I asked my department to work with law en-
forcement and security agencies to examine whether there were further legislative reforms that would enable Australia to prevent or respond to an attack here. I am pleased to say that my colleagues have today endorsed in principle these wide-ranging and well-targeted proposals.

I would like to touch on some of these key reforms. Australia has in place specific powers of detention: detention for intelligence and security purposes and detention for the purposes of investigating an offence—also referred to as arrest. I am concerned that there could be incidents where intelligence is available that a person will be involved in an imminent terrorist attack but the criteria for detention under existing legislation have not been satisfied. The ability of the United Kingdom police to detain individuals without arresting them was instrumental in the resolution of investigations in relation to the recent London bombings. These powers facilitated law enforcement in identification and location of individuals involved in the attacks. With that in mind, we will create a new detention regime with a preventive focus that will complement existing regimes. Under this, police would be authorised to detain a person for up to 24 hours, with scope for extension for a further 24 hours. We will be inviting states to consider, within their competency, whether longer periods might be able to be put in place by them.

We are also increasingly concerned—and I think it is a concern that many in the community share—that conduct by people sympathetic to terrorist activities is in many ways seditious in nature. That is why we will introduce laws to replace the existing sedition offence in the Crimes Act with a new offence in the Criminal Code: ‘inciting violence against the community’. Other amendments will require airlines flying into or operating in Australia to provide certain information to law enforcement and security agencies and will make it an offence to leave baggage unattended within an airport precinct. We will be introducing a new measure, termed a control order, as well as a new system of notice to produce. Drafting of these amendments has already commenced and they will be introduced into the parliament as a matter of priority. I certainly hope they will have the support not only of this side of the House but also of the members opposite.

Telstra

Mr BEAZLEY (2.11 pm)—My question is to the Prime Minister, and follows from the one I have just asked him. When did the Prime Minister commission or seek legal advice on the relevant section of the act and when did he receive it?

Mr HOWARD—I have already indicated that the Telstra Corporation Act effectively provided a prohibition on the disclosure. As to the detailed workings of the processes of advice or otherwise to the government, I do not intend to go into them. But I do intend—

Opposition members interjecting—

Mr HOWARD—We are in terrible trouble now! Let me read to the House the relevant section of the act. It says:

... the Commonwealth, or an associated person, may use or disclose the information for a purpose in connection with the Commonwealth's capacity as a shareholder in Telstra, so long as the use or disclosure—

Mr Tanner—Mr Speaker, on a point of order: the Prime Minister has just explicitly refused to answer a question which has been asked and answered properly on many occasions previously—

The SPEAKER—There is no point of order.

Mr HOWARD—I will read the section again. It says:

... the Commonwealth, or an associated person, may use or disclose the information for a purpose
in connection with the Commonwealth’s capacity—

Mr Beazley—Mr Speaker, I rise on a point of order which goes absolutely to relevance. It was a very narrowly-cast and simple question: when did the Prime Minister seek or commission the legal advice and when did he get it? He is evading—

The SPEAKER—The Prime Minister is answering the question.

Mr HOWARD—I will start again. The section says:
... the Commonwealth, or an associated person, may use or disclose the information for a purpose in connection with the Commonwealth’s capacity as a shareholder in Telstra—
— and this is the material bit; this is the law that the Leader of the Opposition wanted me to break—
so long as the use or disclosure does not involve giving the information to a person who—

Mr Beazley—Mr Speaker, I rise on a point of order, again on relevance, to get at this evasion. When did you commission the legal advice on this and when did you get it?

The SPEAKER—The Prime Minister is in order.

Mr HO WARD—The Prime Minister is in order.

Mr Beazley—Mr Speaker, I rise on a point of order, again on relevance, to get at this evasion. When did you commission the legal advice on this and when did you get it?

The SPEAKER—The Prime Minister is in order.

Mr HOWARD—The Prime Minister is in order.

The section states:
... so long as the use or disclosure does not involve giving the information to a person who is not an associated person.

The section then goes on to define an ‘associated person’ as:
(a) a Minister; or
(b) an individual who holds an office under, or is employed by, the Commonwealth; or
(c) a person appointed or engaged under the Public Service Act 1999 ...

That is the law that the Leader of the Opposition encourages me to break. I can assure the Leader of the Opposition that, for so long as I hold an office under the Crown, I will not actively seek to break the law of this country, unlike the Leader of the Opposition.

National Security

Mr TOLLNER (2.16 pm)—My question is directed to the Minister for Foreign Affairs. Would the minister update the House on what the government is doing to counter terrorism in this region?

Mr DOWNER—First, I thank the member for Solomon and remind the House that he does an excellent job for the people of Darwin as their representative. Tomorrow, 9 September, is the first anniversary of the bombing that took place outside the Australian Embassy in Jakarta. That was the first terrorist attack there had been on an Australian diplomatic mission. It is worth remembering on this occasion that 10 innocent Indonesians were killed in that attack and over 200 people were injured. We do reflect on the sad loss to the victims’ families and on the bravery of those who attended the wounded in the aftermath. Memorial ceremonies will be held tomorrow in both Jakarta and Canberra. Our thoughts are also with those people who are still recovering. In particular, it is worth remembering Manny Musu, who suffered horrific injuries and lost her mother in the attack. I understand that she is still undergoing surgery. She has to undergo further surgery a year later in Italy where she now lives. I do commend the courage of Manny and her family, as she faces yet another operation.

More broadly, the government are very deeply engaged in efforts to counter terrorism in our region. We have memoranda of understanding on counter-terrorism with a number of countries in the region. We have a comprehensive, proactive and strategic approach to working closely with neighbouring countries to apprehend and prosecute terrorists, and we are making good progress. We welcome the convictions of two people who
played a role in the embassy bombing, and there are trials of four other people under way. In two of those trials, the prosecutors are calling for the death penalty. All 36 of those people who have been tried for the Bali bombings in 2002 have been convicted, and I remind the House that three of those people have been sentenced to death and four have been sentenced to life imprisonment. Over 300 Jemaah Islamiah members and other terrorists have also been detained.

I particularly pay tribute to the Australian Federal Police for the work they have been doing with the Indonesians, specifically with the Indonesian police, in pursuing Jemaah Islamiah and their various allies. We are continuing to build counterterrorism cooperation with the countries of our region and that was illustrated in the recent May budget. One of our significant achievements in the region is the establishment of the Jakarta Centre for Law Enforcement Cooperation with the Indonesians, which came from the counterterrorism summit that we and the Indonesians cohosted at the beginning of last year.

I think Australia is doing an extraordinarily good job in helping countries in the region counter terrorism. Progress has been made. The problem is not solved. There are still people out there who we seek to apprehend. There are still dangers and risks of further terrorist attacks, but nevertheless good progress has been made. We should remember that—as well as the victims of the embassy bombing of 9 September last year—over the course of tomorrow.

Telstra

Mr BEAZLEY (2.19 pm)—My question is to the Prime Minister and follows the question I asked him previously and the answer he gave. Is the Prime Minister aware that section 9 of the Telstra Corporation Act—an act of parliament—gives the government power to direct the Telstra board to disclose information as necessary in the public interest? Is the Prime Minister aware that the section states:

… the Minister may, after consultation with the Board, give to Telstra such written directions in relation to the exercise of the powers of Telstra as appear to the Minister to be necessary in the public interest.

Why didn’t the Prime Minister use this power so mum and dad investors and the public knew the true state of their investments? Didn’t this show that the Prime Minister’s legal advice is a weak, made-up excuse to cover his financial incompetence?

Mr HOWARD—The answer to the last part of the question is no. The answer to the first part of the question is for me to point out to the Leader of the Opposition that the legal obligation of disclosure of relevant information is a legal obligation that rests on the company—not only under express provision of the Corporations Act; it is also an obligation that rests on the company. Any expert in this area would be able to tell the Leader of the Opposition, and any company director or executive worth his or her salt would know, that the obligation of full disclosure of relevant information is an obligation owed by the company directly to the Stock Exchange. It is not an obligation which is discharged by giving information to the government, and nothing that the Leader of the Opposition has said alters the strength of what I have said in answer to earlier questions.

Telstra

Mr BRUCE SCOTT (2.21 pm)—My question is addressed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister and Minister for Trade inform the House how rural exporters will benefit from the $3.1 billion Connect Australia telecommunications package and are there any alternatives?
Mr VAILE—I thank the member for Maranoa for his question. Of course, the member for Maranoa will be well aware of the investment of in excess of $1 billion that the government has already made over a number of years in regional telecommunications in Australia. The reason we have done that is that regional exporters depend on good, modern telecommunications systems to be able to compete effectively in the international marketplace. Of course, the package that the government has put forward—the $3.1 billion Connect Australia package—will deliver further fast, reliable telecommunications services to regional Australia. The member for Maranoa has been integral in the development of this package, along with other members of the government.

In the future, with modern technology and an ability to roll that technology out, even small regional exporters will be able to track the temperature and condition of their products all the way from the farm gate through to supermarkets in overseas countries. But it will only be possible if they have fast, reliable telecommunications. That is what the $3.1 billion Connect Australia package is all about: getting new technology out into regional Australia. It not only means investment in regional telecommunications; it also guarantees an income stream into the future in perpetuity to deliver new technologies that come online in the future.

Along with the $3.1 billion Connect Australia package, the government have outlined their proposals to strengthen the customer service guarantee and increase customer compensation by 21 per cent under the CSG. We have also outlined that we are prepared to strengthen the network reliability framework. The Australian Communications and Media Authority will now be able to target sections of the copper network in small or less commercial exchange areas and require Telstra to upgrade at least 480 of these per year under the NRF. The government have outlined their intentions to introduce a licensing requirement that Telstra come forward with an effective local presence plan in regional Australia.

The member for Maranoa asked about alternative policies. The reality is that, on regional telecommunications, there are no alternative policies coming from anywhere, particularly from the Australian Labor Party. Unfortunately the Australian Labor Party are not interested in regional telecommunications. If the Australian Labor Party and their fellow travellers were really interested in improving services in regional Australia, they would support the government’s proposals to invest $3.1 billion in regional telecommunications.

Mr WINDSOR (2.25 pm)—My question is to the Deputy Prime Minister and Leader of the National Party. In an interview on Meet the Press on Sunday, 14 August, the Deputy Prime Minister said in relation to Telstra:

... we are going to be seeking all sorts of expert advice on a number of different elements of the debate.

We now know, Deputy Prime Minister, that expert advice was given to the Prime Minister, the Minister for Communications, Information Technology and the Arts and the Minister for Finance and Administration at their meeting with the Telstra CEO on Thursday, 11 August. When did the Deputy Prime Minister become aware of the Telstra CEO’s expert advice on the underinvestment in and poor state of Telstra’s infrastructure? Was the Deputy Prime Minister aware of this information before appearing on the Meet the Press program? If not, why not, when the Prime Minister was aware three days earlier?

Mr VAILE—I point out to the member for New England
that the government have taken advice from all different quarters, and particularly public advice that is on the public record with regard to the status and the standard of the infrastructure in telecommunications across Australia. We have also taken advice from consumers across regional Australia, and particularly advice from some of the organisations that represent those constituents across Australia.

I can point out to the member for New England the published statistics as far as the issue that he raises—faults—is concerned. This is published by the ACMA. Telstra publicly reports monthly on the percentage of services which were at fault. The published statistics by the ACMA show that 99 per cent of services were fault-free in July 2005. This is the Australian Communications and Media Authority, the regulator, which publicly releases information every three months on fault repair and reports annually on actual numbers of faults. Our focus is on providing all Australians with reliable, high-quality services. We achieved this by setting tough regulatory arrangements such as the USO, the CSG, the network reliability framework and price controls. These things did not exist under the Labor government. The member for New England will be well aware of that.

I will just quote some more statistics to him. The latest fault repair time performance figures show that 91 per cent of telephone faults were repaired within the CSG time frame in the last quarter. This is three per cent higher than the same quarter in 2004. To give you an idea of how Telstra’s performance has improved in recent years, back in 1998, when our government introduced the customer service guarantee, Telstra was repairing just 70 per cent of telephone faults on time. So there has been a 20 per cent improvement from 1998 to the present day. They are the published statistics and terms of fault repairs as far as the government is concerned, and they are the statistics we have been working on.

**Hurricane Katrina**

Dr JENSEN (2.28 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on Australia’s consular response to Hurricane Katrina? How has Australia supported the United States in their time of need?

Mr DOWNER—I thank the honourable member for Tangney for his question and for his interest in the work that we do on these issues. First, let me just say that I am sure all Australians will be interested to hear that Ashley McDonald, who had been missing and whose credit card details had been traced to a motel in Baton Rouge, has now been found. The Australian Federal Police visited him at a correctional facility south of Baton Rouge. He is safe and well, and a consular officer will be providing him with consular assistance. So all of the Australians about whom we have had concerns have now been found.

Secondly, I am pleased to say that we have now located the last five Australians who are permanent residents of New Orleans. They are accounted for. So all Australians whom we know about, through contact with the Department of Foreign Affairs and Trade or through other methods, have been accounted for. It is an opportunity for me to thank very warmly on behalf of the government—and I know all members on this side would join me in thanking them—those consular officials and AFP officers who have worked tirelessly and often without very much sleep as they have attempted to track down Australians and assist them when those Australians have been caught up in Hurricane Katrina. I particularly want to mention our Consul General in Washington, John McAnulty; Amanda Hodges, Justin Biggs and Chris Sheehan in Baton Rouge; Michael
The honourable member also asked about assistance for the United States. The Prime Minister announced the other day that we would provide $10 million to the American Red Cross. The Red Cross has helped to shelter more than 145,000 evacuees in more than 580 shelters across 17 states, so I think our contribution is timely. As the Prime Minister and I have both said, America always comes to the help of countries which run into difficulties around the world. I think that for us to provide assistance to America at this difficult time is only appropriate and is a nice gesture from Australia. To show that we appreciate what America has done for so many over the years in times of crisis, we should come to help them when they themselves hit a crisis.

We are in discussions with US authorities regarding possible further assistance that we could provide. One possibility is that we will assist with disaster victim identification—an area, sadly, where we have built up a good deal of expertise coming out of the Bali bombing and the tsunami. We are looking at providing public health and medical assistance, incident management capability and recovery planning and coordination, and we would consider further requests over and above those areas of an in-kind type.

The last point I want to make is that we have been out there helping a lot of Australians, but it is worth reminding everybody that, ultimately, Australians do need to be prepared to take responsibility for their own actions when they are travelling—to read the travel advisories, to listen to local warnings and to make sure that they take responsibility for themselves. We will always do what we can when they get into difficulties. We will work tirelessly to help them if they get into trouble, but there are obviously limits to what officers can do. I notice, by the way, that the Leader of the Opposition has not commented on this issue since his blunder on Monday.

Mr Beazley interjecting—

**Mr DOWNER**—Perhaps it was Tuesday morning’s *Today* program; perhaps that was the last time he spoke about it. I would make this request, and that is that the Leader of the Opposition might quietly, away from publicity, write to the ambassador in Washington and to my department offering an apology for some of the things he said.

**Telstra**

Mr TANNER (2.33 pm)—My question is to the Deputy Prime Minister and it follows from the answer that he has just given to the member for Maranoa regarding the government’s Telstra privatisation regional telecommunications fund. Is the Deputy Prime Minister aware that the government’s legislation to create its $2 billion communications fund for regional Australia allows the government to use Telstra shares, instead of cash, to establish the fund? Is the Deputy Prime Minister aware that any decision to use Telstra shares will not be disallowable by the Senate? Given the risk of further falls in Telstra’s share price or reductions in its dividends, hasn’t the government started to weasel out of its deal with the National Party before the ink is even dry?

The SPEAKER—The Deputy Prime Minister can ignore the last part of that question.

**Mr VAILE**—The answer to that part of the question is no. We think it is a great outcome for regional Australia to have a $2 billion fund locked in, in perpetuity, that is going to continue to deliver an income stream so there will always be certainty in the abil-
ity of future governments to invest in regional telecommunications.

Health

Mr RICHARDSON (2.35 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House how the government’s responsible management of the health system is benefiting Australians? Are there any alternative policies?

Mr ABBOTT—I am grateful that the member for Kingston has been studying health policy today as well as attending the National Youth Roundtable, some of whose members are here. I am not surprised that the member for Kingston is interested in this because, thanks to the policies of the Howard government, there has been a 13.9 per cent increase in the GP bulk-billing rate in the electorate of Kingston. Since 1996 health spending has risen from under 15 per cent to over 20 per cent of the federal budget and federal health spending has risen from 3.7 per cent to 4.3 per cent of Australia’s gross domestic product. But it is not the quantity of the spending that counts, it is the quality of the outcomes, and thanks to the government’s policy there are 30 per cent more medical students in training in our universities, there are 30 per cent more GPs in training and the national bulk-billing rate has now reached almost 75 per cent.

I have been asked about alternative policies. The policy of the shadow minister for health is something called Medicare Gold. She is totally committed to Medicare Gold, even though the former chief of staff of the Leader of the Opposition has called it ‘a strategic disaster’; Peter Botsman, the Labor intellectual, has called it ‘a hoax’; and Barry Jones, the Labor Party’s national president, has called it ‘a turkey’. We have the member for Melbourne, the born-again frontbencher, saying that Medicare Gold would ‘add a very substantial—

Mr Price—Mr Speaker, I rise on a point of order on relevance. What have these remarks got to do with the minister’s portfolio?

The SPEAKER—The answer is entirely in order.

Mr ABBOTT—Let me point out to the member for Chifley that, thanks to the policies of the Howard government, he has 98 per cent GP bulk-billing in his electorate. The member for Melbourne said of Medicare Gold, ‘It would add a very substantial burden to future budgets.’ Just on Sunday, Mungo MacCallum, who is not exactly a cheerleader for the Howard government, said of Medicare Gold, ‘It would distort the economy for decades.’ I think the Leader of the Opposition, deep down, understands that, because he said in January, ‘Medicare Gold disappeared with Mark.’ Unlike the member for Lalor, the Leader of the Opposition said that Medicare Gold disappeared with Mark. That is quite interesting because—

Mr Downer—Mark is coming back next week.

Mr ABBOTT—Mark is coming back in a big way in a couple of weeks time. We will all be talking about Mark in a couple of weeks time. It is quite interesting—

The SPEAKER—Order! There is far too much noise.

Mr ABBOTT—Medicare Gold might have disappeared with Mark, but just today I looked at the web site and what did I find?

Mr Beazley—Mr Speaker, I rise on a point of order which goes to relevance. The health minister’s reputation disappeared in a handbag, with Peter, to Indonesia after his performance—

The SPEAKER—The Leader of the Opposition will resume his seat. The Minister for Health and Ageing is in order.
Mr ABBOTT—I can understand why the Leader of the Opposition is getting increasingly confused, because he said in January that Medicare Gold disappeared with Mark. I went onto the web site this morning, and what did I find? I found that Labor advocates a Medicare Gold style solution. Take a look at this Leader of the Opposition. On Monday he wants to invade America, but he is too weak to get Medicare Gold off his web site. He reckons he can invade America on Monday, and he cannot even get Medicare Gold off his web site. I tell you this, Mr Speaker: if you cannot control your own party you will never be allowed to control the country.

Mr BEAZLEY (2.40 pm)—I suppose we can say that in relation to the New South Wales branch, can we?

The SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—My question is to the Deputy Prime Minister and follows the answer he gave to the question asked of him previously. When the Deputy Prime Minister attended the briefing with Mr Trujillo on 11 August about the true state of Telstra, does he recall being told that $5.7 million over three to five years was required to be spent to bring telecommunications services in regional Australia and the rest of Australia up to speed with international competitive services? If so, why has the minister supported an outcome which allocates only $3.1 billion over the next 20 years, only about $1 billion of it reliable? Did the Deputy Prime Minister inform his National Party colleagues of the contents of the 11 August 2005 briefings when he signed them up? How could the Deputy Prime Minister sell out the bush in the way he did when he knew the true state of Telstra services to the bush?

Mr VAILE—I thank the Leader of the Opposition for his question. Since he knows so much about the proposal that he read in the paper, he would also realise that the $5.7 billion proposal asked for $2.6 billion from the government, and it was not just for regional Australia. Did I tell my colleagues? Yes, I did. We have put together a package that in the short term and the longer term will provide certainty and security of investment in telecommunications in regional Australia—a hell of a lot more than the Labor Party has ever done for regional Australia.

Employment

Mr SCHULTZ (2.42 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House how the government’s reform policies have helped people seeking employment? How is this impacting on people’s attitudes towards their job security?

Mr ANDREWS—I thank the member for Hume for his question. I can inform him and honourable members that the Australian Social Attitudes: The First Report published this week revealed the enormous confidence that Australians have in the economy today. It revealed that 80 per cent Australians are now proud of Australia’s economic performance and, importantly, it revealed that 88 per cent of respondents—that is, almost nine respondents in 10—felt secure in their jobs and did not fear losing them in the next 12 months. What that reveals is what the Prime Minister indicated earlier in question time—that is, in Australia today we have a workers’ market.

This is in stark contrast to where we were a bit over a decade ago. In fact, back in 1992, Roy Morgan Research showed that only 65 per cent of workers felt secure in their jobs and 32 per cent of Australian workers feared unemployment. Those were the days when the Leader of the Opposition was the employment minister in the previous government. Of course, that was a time when we
had one million unemployed Australians. In May 1993, when the Leader of the Opposition was Minister for Employment, Education and Training, he said about the unemployment rate:

Where it is now is unacceptable; where it’s going to is even more unacceptable.

This is a stark contrast between what we had under the Labor Party policies of the past and the policies of this government over the last 9½ years. What we have seen is the growth of 1.7 million extra jobs in 9½ years in Australia. And the important thing about this, as revealed in the statistics today, is that of those 1.7 million extra jobs in Australia almost one million have been full-time jobs. So we have gone from a situation under the Labor Party of a million unemployed to a situation of a million extra full-time jobs in Australia over the last 9½ years. In addition to that, the jobs growth has not just been isolated to the urban areas of Australia. Indeed, the jobs growth has been just as strong in the non-metropolitan areas as it has been in the cities, and in fact the income inequality in Australia has narrowed over that period of 9½ years.

The further balanced, sensible, incremental workplace reforms which this government is proposing will help us to consolidate those gains. Australians—and Australian workers in particular—have nothing to fear about further incremental changes to workplace relations, any more than they had anything to fear when we made changes back in 1996. Under these changes there is a way in which we can ensure that in the future there will be further jobs growth, and Australians and their families will be better off.

**Telstra**

Mr CREAN (2.45 pm)—My question is to the Deputy Prime Minister and refers to his guarantee in this place on 18 August 2005 about the future of Telstra services. Can the Deputy Prime Minister confirm that, as a result of the misuse of reserves to prop up dividends and Telstra’s share price, up to 350 rural and regional Telstra exchanges fail each quarter, according to the government’s own network reliability test? Can he confirm that 68 of the 97 worst-performing Telstra exchanges in the country are located in regional New South Wales, in the electorates of Gwydir, Lyne, Cowper, Page and Riverina, and are home to exchanges on the ‘worst of the worst’ list? Why did the Deputy Prime Minister and Leader of the National Party sell out his own constituency by covering up the true state of the telecommunications network in rural and regional Australia?

Mr VAILE—I thank the honourable member for his question. What I can confirm is that we have not sold anybody out. What I can also confirm is that for the first time there is going to be the largest investment in regional telecommunications in the history of Australia. Not only are we proposing to put forward $3.1 billion worth of investments for infrastructure but also we are proposing to strengthen the network reliability framework so 480 of those cable runs are replaced every year as a licence condition. When did the Australian Labor Party ever address any of these issues? They did not, and they did not do it when the Leader of the Opposition was the minister responsible for Telstra in the time of the Labor government. Our government has put down a full package to address investment, to address competition and to address regulation.

**Education**

Mr BAKER (2.48 pm)—My question is addressed the Minister for Education, Science and Training. Would the minister update the House on the government’s plan to ensure that plain English report cards are delivered in Australian schools, and are there any alternative policies?
Dr NELSON—I thank the member for Braddon for his question and his commitment to plain speaking for the people of Braddon. I announced early this year that there would be a national inquiry into reading, and its chairman, Dr Ken Rowe, whom I met earlier this week and who will soon present me with a report, informs me that one in four Australian children will leave the Australian school system unable to read and communicate effectively with fundamental errors in grammar, punctuation and spelling. There are many reasons for that, but one of them is the language-neutered jargonistic report cards that parents have been receiving at home about the school performance of their children. They have left many parents, who might themselves be educationally disadvantaged, in the dark as to how their kids are actually going.

One of the conditions that the Howard government has placed on school funding, in a determination to drive national consistency and lift standards in this regard, is that there will be plain language reporting to parents as a condition of funding to any school that wants to receive Australian government funding. From next year, schools, whatever method they use, will report A, B, C, D or E. In addition to that, the schools will be required to tell parents where their child is going in relation to the rest of the class. I am pleased to inform the House that the states of New South Wales, Western Australia and Tasmania have agreed to that. Also Victoria and South Australia have agreed to A, B, C, D, E and, in addition, they will place a statement on the report that advises parents that they can receive the ranking of their child on request from the school.

The sort of nonsense that we are having to deal with, which the member for Braddon and Bass know only too well, is reflected in what the Tasmanian Department of Education is doing with a thing called ‘Essential Learnings’. In fact, when I discussed ‘Essential Learnings’ with the Tasmanian Minister for Education a few weeks ago I said, ‘Do you mean “subjects”?’ For example, parents are being told whether their child is being literate, and I actually had to say to the minister, ‘Do you mean reading and writing?’ Don Watson, who was a former speech writer for Mr Keating when he was the Prime Minister—he has written a few books about jargon—has described this nonsense:

You cannot consult the community in this language because the community does not speak it. You might as well consult in Swahili. As a typical example, the Tasmanian Department of Education have produced a jargon buster to explain to parents what their jargon means. One of their jargons that they want to put on school reports is called a ‘concept plan’. The jargon buster, in part, says that a concept plan:

... illustrates concepts and the relationships between them. The links are indicated by words that specify the relationship between two or more concepts.

What on earth does that mean to the average parent? There would not be a member of this House that would understand that. Hang on, I suspect there is one member of the House who does understand that kind of language because he speaks it every day—the Leader of the Opposition. From next year parents will get plain language reports. They will know exactly how their kids are going and we will lift the standards of education in this country.

Telstra

Ms ROXON (2.52 pm)—My question is to the Prime Minister. I refer him to the Deputy Prime Minister’s previous answer. If the Prime Minister’s claim is that he was unable to disclose the substance of his Telstra brief-
ing because he believes it was illegal, how was it legal for his deputy to tell his party room—some of whom own Telstra shares—that information?

**Mr HOWARD**—Without in any way qualifying what I have previously said, the Deputy Prime Minister offered the view that the particular figure to which you referred was in the newspaper the day before.

**Economy: Resources**

**Mr HAASE** (2.53 pm)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister advise the House of the contribution Australia’s resource sector is making to the nation’s economic wellbeing? Does the government support the continued expansion of this sector? Are there any alternative views?

**Mr IAN MACFARLANE**—I thank the member for Kalgoorlie for his question. There is no more enthusiastic and effective supporter of the resources sector in this House than the member for Kalgoorlie. I congratulate him on his lunch today for the Friends of Resources, which is actually starting to rival the Friends of Tourism lunch in terms of attracting interest from our members.

The resources sector continues to power the nation’s economy and figures released this week by ABARE show that the mineral and energy exports sector earnings rose some 29 per cent in 2004-05 to $67.4 billion. In terms of individual commodities, coking coal exports are up 65 per cent to $10.7 billion, LNG is up 47 per cent to $3 billion and iron ore and pellets are up 53 per cent to $8 billion. This is an extraordinarily impressive performance by anyone’s standards, but we should not rest on our laurels in Australia.

This global surge in resource prices also includes uranium. There is a real opportunity to ensure that Australia makes the most of the fact that it has 41 per cent of the world’s deposits, yet currently exports only 21 per cent of the world’s demand. It is an opportunity begging with uranium prices at a 20-year high and expected to climb further. This government is determined to see export opportunities maximised and in doing so, of course, to pay due heed to the environmental, Indigenous safety and non-proliferation safeguard issues.

I am asked about alternative views. The greatest export bottleneck in Australia is the Australian Labor Party. When it comes to uranium, they have a stack of different views. We have the opposition leader, of course, who says that they have a three-mines policy; we have the South Australian Treasurer, Kevin Foley, who says the policy is idiotic; and, in the middle, we have the member for Batman, who says that Labor does not have a three-mines policy and, in fact, that bans on uranium mines are silly. The Labor Party has a three-mines policy—but it is ‘mined’ with a ‘d’. They are all over the place on this issue and, at a time when they are calling for extra exports, this attitude on uranium is sheer hypocrisy. In contrast to the Labor Party’s incompetence, this government will continue to boost exports, provide jobs and ensure economic growth.

**Telstra**

**Ms ROXON** (2.57 pm)—My question is again to the Prime Minister. For his assistance, I refer him to the question that was asked of the Deputy Prime Minister as to whether he informed his National Party colleagues of the contents of the 11 August 2005 briefing and to the answer that Mr Vaile gave, ‘Did I tell my colleagues? Yes, I did.’ Prime Minister, how can this be legal, when you assert that it was illegal to tell mum and dad shareholders this same information?

**Ms Gillard interjecting**—

**The SPEAKER**—Order! The member for Lalor.
Ms Gillard interjecting—

The SPEAKER—The member for Lalor! The Prime Minister has the call.

Mr HOWARD—Let me repeat the answer I gave. The answer I gave was that, without in any way qualifying what I have previously said about my legal obligations—and I do not qualify them at all—the law said that I could not disclose confidential information given to me. That is what the law said. I am told by the Deputy Prime Minister that the figure to which he referred of $5.7 billion had appeared in the press earlier either that day or the day before. There is absolutely no conflict between the two of us.

Health and Ageing: Aged Care Places

Mrs MARKUS (2.59 pm)—My question is addressed to the Minister for Ageing. Would the minister explain to the House how the government is meeting its 2001 election commitment to provide 200,000 operational aged care places by 2006?

Ms JULIE BISHOP—I thank the member for Greenway for her question and acknowledge her interest in aged care issues in her electorate. I am pleased to confirm to the member and to the House that the Howard government is on track to meet its 2001 election commitment to provide 200,000 operational aged care places by 2006?

Ms JULIE BISHOP—I thank the member for Greenway for her question and acknowledge her interest in aged care issues in her electorate. I am pleased to confirm to the member and to the House that the Howard government is on track to meet its 2001 election commitment to provide 200,000 operational aged care places by 2006?

What this also means is that the Howard government has exceeded the planning benchmark, a benchmark that was set by Labor, for 100 operational aged care places per 1,000 people in the population over the age of 70. We have exceeded that benchmark and we have now set it higher to 108. Through significantly increased placements, through significant increases in funding and through a series of reforms, the Howard government is now ensuring that older Australians have access to more choice in aged care, better quality care, better homes, better models of service delivery and better skills in the work force.

You have to compare Labor’s woeful record in the area of aged care. Not only did they not once meet their own planning benchmark but they left office with a woeful record and a shortage of 10,000 places. That was a national scandal, and today the Labor Party still have no aged care policy and no ideas on how to meet the challenges of an ageing population. Meanwhile, the Howard government is working for older Australians to ensure that they have access to high-quality and affordable care.

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

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.01 pm)—Documents are tabled in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Telecommunications

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

The continuing failure of the Government to address the growing crisis in the national telecommunications network.
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) (3.02 pm)—We have seen the Prime Minister wriggling around the TV and radio stations up in the press area over the course of the last few days, desperately trying to establish some sort of formula that excuses him from any culpability about the appalling misleading of both his own political party and the Australian people generally, but in particular the misleading of the mum and dad shareholders about the true state of Telstra as he walked away from his obligations to act always in the public interest. We have seen the most confused formulations from this government as the Prime Minister’s ministers have followed him down the same track.

I have here a selection of quotes from them over the last couple of days, and I thought it might be edifying for the parliament to understand how firmly in the hands of this government our nation’s premier company is placed. We heard John Howard on 7 September in answer to a question from Kerry O’Brien on the 7.30 Report:

Well, Kerry, the question of what precisely my ministers knew in relation to particular things, I would have to speak to them in relation to those particular things before I could answer that question.

In relation to the dividends, the Prime Minister said on the Today program:

One of them is that in some way it was a shock revelation for us to be told on 11 August that the company was funding dividends out of retained earnings. There was nothing new about that information on 11 August.

So this idea that there was something shock-horror about that is completely false.

The Prime Minister went on with that during question time today. Peter Costello was asked the same question. On 8 September he was asked by Kim Landers about suggestions that Telstra may be using borrowings to pay dividends. He replied:

I, I, I don’t want to go into what may or may not have been scuttlebutt. You hear people make suggestions as to what was or was not known, but I’m not commenting on that one way or another.

He said something similar, apparently, to a journalist from the Daily Telegraph. Then the Minister for Communications, Information Technology and the Arts was asked a question on the issue of whether or not there was underinvestment going on in the infrastructure—Telstra’s lack of investment infrastructure also contained in that report. The minister said:

Well, no, of course not. I mean, that’s not something that the Government is privy to as Telstra rolls out its capex expenditure.

The Minister for Finance and Administration was asked a very similar question about the state of government knowledge of Telstra’s roll-out of its network and its handling of capital expenditure. Nick Minchin said:

No, well no, because all these figures are right out in the open and it’s—the capital expenditure program of the company has been public knowledge on a daily basis. Everybody knows how much the company is investing.

They are completely and utterly confused about their legal responsibilities in meeting their obligations to the mums and dads who have taken up their call to invest in Telstra, their obligations to keep their party informed about the true state of affairs as far as the roll-out of the network is concerned, and their legal obligations generally in relation to the reporting regime of Telstra and the information that they have to hand for their determination of budgets from time to time.
about the capital expenditure programs of Telstra. They are all at sea. They have been all at sea all week.

Let me tell them what they knew so that they can all get their stories straight next week when we go on questioning. Firstly, they did know that Telstra was boring into its reserves to pay out its dividend. They knew that. Why did they know that? Because there were intense discussions with Telstra, budget by budget, on the status and the source of the dividend payments to go into the budget paper. They knew all that all along.

Secondly, they did know about the issues related to the roll-out of Telstra’s network and the capital expenditure program of Telstra. They knew whether Telstra was investing, underinvesting or overinvesting in relation to the overall financial performance of the company. Why did they know that? Because under the legislation the obligations are there on the company to discuss with Telstra, budget by budget, on the status and the source of the dividend payments to go into the budget paper. They knew all that all along.

Secondly, they did know about the issues related to the roll-out of Telstra’s network and the capital expenditure program of Telstra. They knew whether Telstra was investing, underinvesting or overinvesting in relation to the overall financial performance of the company. Why did they know that? Because under the legislation the obligations are there on the company to discuss with the minister the capital program and forward plans of Telstra. It is as simple as that. These discussions go on all the time, and it is nothing new and nothing original to this government. Those sorts of discussions were held by me when I had the relevant portfolio, were held by our ministers when they had the relevant portfolio and they are held by the government. It is just that they sit there like a blank wall; that information passes in one ear, through a blank space and out the other. They have no sense of responsibility for the financial administration of the most important company in this country and, as the Deputy Prime Minister had to say, a company absolutely critical to the international competitiveness of this country.

Let me go to the Prime Minister’s weasel words, because he has been wrapping himself in this act. He stands up there opposite us and he could not possibly let us know the date when he sought that legal information. ‘Oh no, I couldn’t do that. I couldn’t possibly let you know when I received that information.’ I will tell you why he could not possibly let us know when he got that piece of advice from the Department of Finance and Administration or from his own department: he could not tell us that because it was two-handed advice. They suggested nothing of the sort to him. The notion that a department would come to him and say: ‘Look, you’ve sought from us a piece of legal advice as to whether or not, having received a piece of market sensitive information, you should find some mechanism by which that should get to the market. No, you are prohibited by the act from acting in that way.’ What baloney! What absolute balderdash, that any department would ever advise a Prime Minister that they should be aware of an illegal circumstance extant and do absolutely nothing about it.

Of course he had no legal advice which suggested that to him. That is the first point, the first reason why he did not give us an answer on this or elucidate any more than the defensive fulminating he has been doing, with the full shoulder twitch, on program after program over the last few days. The second reason he did not tell us is that he sought and obtained that advice in the last few days. It is as simple as that. He sought and obtained that advice in the last few days and if he actually admitted to the date when he got it, the Prime Minister would stand absolutely exposed.

There are a variety of interpretations you could place on that section of the Telstra Corporation Act, and they do not lead down the track that the Prime Minister would send you. But if you did not want to rely simply on that section of the act in relation to the Prime Minister’s obligations, try the opportunities that are available to him to direct the board. Part 3, ‘Operation of Telstra’, section (9), ‘Minister may give directions’, starts off:
… the Minister may, after consultation with the Board, give to Telstra such written directions in relation to the exercise of the powers of Telstra as appear to the Minister to be necessary in the public interest.

It goes on with more detail. The only constraint that exists on the minister in that regard is that he has to table it in this parliament when such a direction is given. That gives the lie completely to what the Prime Minister has had to say out there publicly—that he was hogtied, absolutely strapped and handcuffed in his ability to get out there and do the right thing by the mums and dads of this country, do the right thing by the country people on the issue of the detail of the rollout of Telstra. It is absolute nonsense, and he keeps weaselling around this point because he knows he is well and truly caught on this, well and truly exposed, and that there is no way he can get around it.

There is another fellow who is well and truly exposed in this place, and that is the Deputy Prime Minister of this country. Of course, you know from all the things that I have been saying that I have one interpretation of the materials that were handed to the government on 11 August and, needless to say, it is not the government’s interpretation of those materials or what they were capable of doing with them or what they were permitted to do with them. I leave aside the question of what I happen to think about that; I go to what they say is relevant in that regard. Having just clothed himself in his Uriah Heep mode, about how it was all so impossible for him—as he rolls his hands to reveal this market sensitive information—to disclose that information to any unauthorised person by unauthorised processes, the Deputy Prime Minister came in here and said, ‘Of course I rocked into the party room and told them all about this.’ This is what the Deputy Prime Minister said: ‘It may, of course, not be true.’

He may not have gone in to the party room and said those things. If he did go into the party room and detailed what the Prime Minister said was a market sensitive document which went to the faults that Telstra had identified in its system, which went to the weaknesses in the Telstra work force, which went to the underinvestment that Telstra had made, and which went to the $5.7 billion that they thought ought to be spent if services were to come up to speed, he did so in front of a select group of Telstra shareholders—to wit, members of the National Party backbench who hold Telstra shares and, of course, the associated family trusts. It would be interesting to know, if that is the case, how much has been traded since 11 August, but we will leave that question aside.

He just admitted—under the Prime Minister’s definition—that he walked in there and handed over to his National Party colleagues materials that could only be in the hands of ministers, concealed to them, to be revealed only to other persons not authorised by the Telstra organisation. When you mislead as you defend yourself, you dig yourself a deeper and deeper hole, and the Prime Minister has been digging himself a very deep hole indeed in his handling of these materials.

There are some honourable people on the other side of the House. I notice that the member for Riverina has decided not to support this legislation. She got up in this place and made a moving speech about all the faults that she has discovered and discerned in her constituency, and she knows darn well that the 20-year, $1.1 billion or maybe $3 billion program will not resolve that. She is honest enough to say that. Of course, nobody who read or who knew what the Telstra outfit said to the government on 11 August would think anything else. They know absolutely that there is nothing in that program which will bring Telstra to the state that the people
in rural and regional Australia desire to give them a competitive communication system that will not just last them into this next decade but will last them out and ensure their economic competitiveness with both the rest of the country and the rest of the world. They know darn well that that is a nonsense. They know darn well that the government has misled them fundamentally on that and the National Party has been sold a pup.

There is more water to flow under the bridge on this, and we will be making sure that that water moves along over the next week, because we are going to expose the cant and hypocrisy of this government. We are going to expose their untruths and their dissembling. We going to expose it here in this place and we are going to expose it in regional Australia. They are going to pay a very big penalty, particularly members of the National Party, for having misled their constituents. They are going to pay a very big penalty for having misled the mum and dad shareholders that they have fitted out so comprehensively—(Time expired)

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (3.17 pm)—There is a residue of sympathy that beats within my heart for the Labor Party, in that the week they thought would be the turning point of their political fortunes has not come about, and we limp to the end of the parliamentary week with a standard matter of public importance instead of the censure motion against the Prime Minister or the government that was always intended to be the pinnacle of the attack on the government over the course of four days.

Mr Danby interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Melbourne Ports!

Mr McGauran—What a disappointment it must be for Labor members to head off to the airport, to go home, having to acknowledge to themselves—but not to each other—that the week has failed to establish a case against the government in any shape or form. It does not matter how often the Leader of the Opposition yells and screams at the dispatch box and asserts the same old tired accusations. Without a body of evidence, they are utterly unconvincing and damage his credibility, not that of those opposite him. There is only so often that you can cry wolf.

Mr Danby interjecting—

The DEPUTY SPEAKER—The member for Melbourne Ports is on thin ice.

Mr McGauran—There is only so often you can keep asserting that the government or the Prime Minister—he always personalises it—has been well and truly exposed, has been caught out, and saying, ‘When you’re caught misleading, you make it work.’ It goes on and on. The mere fact that the Leader of the Opposition asserts something to be true does not mean that it is.

Opposition members interjecting—

The DEPUTY SPEAKER—I will enforce the standing orders.

Mr McGauran—Informed sensible debate and argument means that you have to substantiate your accusations. There is nothing that lies behind the Leader of the Opposition’s and the Labor Party’s insults and barrage of abuse towards government members, whether they be the Prime Minister or Deputy Prime Minister. When are you going to make your case? At least put up a half-decent argument, instead of merely making assertions. That means that the Leader of the Opposition and the brilliant tacticians who surround him—

Mr Tanner—Thank you; it is very nice of you to say so.
Mr McGauran—I say that with a heavy dose of sarcasm. Either they are too lazy to actually do the work or no case exists. Of course it is the latter, because I do not think anybody could accuse the member for Melbourne and the member for Lalor of being lazy, but you can accuse them of trying to make a case out of thin air. So there has been a lot of sound, a lot of fury and a lot of bombastic behaviour by the Leader of the Opposition, but no case been made out. Yet we are promised more of the same to look forward to next week. This is my fourth discussion of a matter of public importance in a row, and it looks as if I am going to have another four next week.

We are going over the same old ground; there is nothing new. I pored through the transcripts of the doorstops this morning, and I looked at Lateline and the 7.30 Report last night. The member for Melbourne was on TV. Senator Conroy, the shadow minister for communications, was on TV and radio. The Leader of the Opposition was on TV and radio. Surely, I thought, as I pored through the mountain of transcripts, there must be a new line of attack on the government; they must have unearthed something. They were all out there parroting the accusations, repeating the charges, so I thought there must be something. I looked hard, could not find anything and thought I might have missed it. I got people in my office and Senator Coonan’s office to trail through and try to discern where the Labor Party was coming at. I am afraid there is nothing new.

If there is nothing new today, and we are going to go through all this all of next week, that says something about the Australian Labor Party. They say nothing about the economy. No, let us not talk about the economy. Do not talk about the fact that Australia’s unemployment rate is at five per cent and the largest number of jobs have been created in 30 years. Do not talk about the national growth figures earlier in the week which show sustained, low inflationary national growth. Do not talk about that. Do not hold the government accountable or scrutinise our decisions on a range of portfolios. Do not do any of that; just go for the cheap shot, go for the silver bullet that will launch you back into government.

That is the temptation of opposition. I am not so holier than thou to say that I did not fall for that in my 13 years of opposition, but I would not have thought the Labor Party, having been rebuffed so often on this line of attack—these strategies and tactics of abuse of denigration and derision—would fall for it all over again. So bring on next week. We will keep going over the same issues, the same false charges and the same phoney allegations. Let us deal with the line of attack today, because I have found one.

Mr Hartsuyker—What is it?

Mr McGauran—It is that the government has encouraged, overseen or tolerated Telstra underinvesting in capital infrastructure while still paying a high dividend. That is as best as I understand it. I am happy for someone on the other side to enlighten me and put it better than that. As we all know, the government’s role is regulatory: we set the rules that guarantee customer service levels, the universal service obligation; we set a number of price controls. How Telstra delivers on that guarantee and ensures that it is providing competitive services is entirely a matter for Telstra. That is how Telstra itself is accountable, either under the Corporations Act or to its shareholders.

I am a bit puzzled about the accusation against Telstra that it is underinvesting. I understand that it has reported capital expenditure on its networks of more than $3.6 billion in the financial year 2004-05, and it is forecasting to spend $4 billion this financial year. Telstra has stated that this level of...
spending is quite high by international standards, and that is a view backed up by a number of independent analysts. Indeed, in today’s Financial Review an analyst, quoted by Tony Boyd, states:

Telstra’s capital expenditure in 2005 of $3.5 billion was 16 per cent of total revenue, which is relatively high by international standards.

The article goes on to say:

The same source also noted that spending on the fixed line business was about $1.5 billion or 20 per cent of the fixed line revenues which is also high by international standards.

The accusation is that Telstra has underspent on its capital expenditure. No doubt the source of that will be identified in time to come. The accuracy of it is an entirely different thing altogether, because it would appear—not that I need to make financial commentary on these matters—that it is high by international standards. So that charge by the Labor Party against the government, which it seems is the only one they have today and it has been made on previous days, falls flat on its face. Above all else, Telstra has constantly assured the government that its capital expenditure programs are sufficient to allow it to meet its legal obligations for service delivery as well as providing for the future growth and wellbeing of the company.

In my forensic examination of the transcripts over the last 16 or 18 hours—I know that it is pretty boring reading—I did find that Senator Conroy has done it again. It has been a long time since I have seen a more inept spokesman on the part of any major political party. You can always be sure that he will put his foot in his mouth with a substantial gaffe. After all, this is the man who, on behalf of the Labor Party—because he is still the shadow minister for communications—said that ownership of Telstra was not the issue; the public did not mind if it was owned by the private sector or the public sector. We agree. It is a question of competitiveness, regulatory regime and direct government funding to make up for market failure or infrastructure inadequacies in country areas.

So Senator Conroy does have moments of inspiration or, should I say, flashes of honesty. But this morning was not one of them when he made the completely false assertion on radio that the famous 11 August briefing document advised the government that the company had changed its dividend policy. That is completely untrue. The company did not announce that it had changed its policy. It is still delivering on the same three-year capital management plan announced last year; it actually announced a special dividend on the morning of 11 August.

I find it hard to credit how the Labor Party could accuse the government of endorsing a high-dividend policy of Telstra at the cost of the capital infrastructure, not just because we have established that there does not appear, by international standards, to be underfunding of capital infrastructure but also because the Labor Party agrees with the dividend policy. And who else would have said it but the member for Melbourne in a press release issued on 21 June 2004 in which he endorsed the Telstra dividend policy? Now, almost 18 months later, he is attacking the government for endorsing the Telstra dividend policy, yet he endorsed it on 21 June. He said:

Labor welcome today’s announcement to the Stock Exchange by Telstra that it will focus on its existing businesses and return money to shareholders.

This announcement brings to an end the Mansfield era of adventures into other businesses and other markets.

He endorsed the dividend policy. He congratulated Telstra on their high dividend payments. But, Member for Melbourne, to tell you the truth, not only was I poring through transcripts late last night but also I
dusted off some old reading—favourite old stories.

Mr Hartsuyker—What did it say?

Mr McGAURAN—It is actually an autobiography. Is it an autobiography, a social commentary or an edict from above? I am referring to the member for Melbourne’s 1999 book *Open Australia*. Yes, this man has a really open mind when it comes to economics. I quote from page 179. I found when I was flipping through that it is well worn because I have kept returning to that page over the years. It is so revealing, so enlightening—even inspirational! The member for Melbourne said:

Part-private ownership of Telstra creates internal tensions and contradictions and inhibits the extent to which social capital can be obtained from a huge investment of public capital. If the balance of Telstra is not sold it may be desirable to restructure its core infrastructure functions into complete public ownership and fully privatise some of its service provision functions.

He was suggesting the breaking up and full privatisation of Telstra. The now shadow minister for finance, who does bring more of a commercial and realistic view of economics to that role than many of his predecessors, nonetheless is backing away from his own department, the then Department of Finance, prepared for him a five-stage proposal for the privatisation of Telstra. Yes, he was so opposed—no-one knew about it beforehand, nor in the meeting, nor after it—his department actually gave him a blueprint for the privatisation of Telstra! So the Labor Party will always say one thing and do another when it comes to privatisation. Peter FitzSimons, the Leader of the Opposition’s biographer, in his book *Beazley*, which came out a couple of years ago, at page 388 said this:

Now the time for selling a lot of those former entities had come, and a lot of Beazley’s focus during his time in the portfolio was devoted to selling such entities as Qantas, the Commonwealth Serum Laboratories, the Sydney Gas Pipeline and the last half of the Commonwealth Bank. It was something of an irony that Beazley was now in charge of selling Qantas, because as Minister for Aviation he had sworn that Labor would never do any such thing, and then as Minister for Transport and Communications he had begun the process of doing just that.

A big fan is Peter FitzSimons, who sanctified and glorified his subject matter in that biography, but he was actually quite critical of the two-faced, hypocritical or, more kindly, inconsistent approach—

Mr Hartsuyker—A confused one.

Mr McGAURAN—The confused approach of the Leader of the Opposition. He finishes off this part of page 388:

He was not troubled by this, however, as clearly the times had changed, as signified by the deci-

‘He was not troubled by this, however’. He was not troubled by his flip-flop or his somersault or the breaking of his word or the misleading of the public. So when the Leader of the Opposition stands up in here and talks about ‘when you mislead you make it worse and it can come back to haunt you,’ I say that to the Leader of the Opposition. He has misled the Australian public on a large number of occasions on privatisation, and he is doing it again now and cannot be trusted.

Mr TANNER (Melbourne) (3.32 pm)—Today I would like to focus some attention on the activities of my old friends the National Party. Yesterday in my enthusiasm to broaden the debate beyond the activities of the three amigos and have a look at what El Guapo was doing, I perhaps was guilty of neglecting one of the major players in the latest episode of the three amigos. Where was the local sheriff? Where were the people who are supposed to protect the interests of the poor villagers out in the backblocks who needed their telecommunications services? Where was the local sheriff? Where were the National Party? What were they doing? I think everybody knows the answer: they copped a bribe from El Guapo.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Melbourne will withdraw that.

Mr TANNER—I will withdraw that. They copped a sling from El Guapo.

Ms Plibersek—An incentive.

Mr TANNER—An incentive payment—the member for Sydney is correcting me. It was an incentive payment, and it looks as though today they also got an inside tip conveyed to their party room as well. Before the election the then National Party leader, Mr Anderson, the member for Gwydir, and the Prime Minister went all round Australia telling people that services in regional Australia were up to scratch, that as a result of the Estens inquiry into regional telecommunications, the HiBIS broadband roll-out and a variety of minor pork-barrelling exercises, services in regional Australia were up to scratch.

When Labor pointed out during the campaign that there had been a massive drop in investment in Telstra’s network and substantial staff reductions, particularly in hands-on technical staff out in the field, a huge gap in training, with an ageing work force, and a five per cent increase in consumer telecommunications prices throughout 2003, all of this was swept aside by the government, by the Prime Minister and by the National Party with one single phrase: services are up to scratch. That phrase will be enshrined on the tombstone of the National Party: ‘Here lies the once great party that used to be up to scratch.’ ‘Up to scratch’ is going to be the death knell of the National Party in regional Australia, because what has been revealed in the last few days is that the truth is very different.

The 11 August document that Telstra provided to the Prime Minister and to the various ministers involved demonstrates conclusively that the truth was very different—that there was a $3 billion investment gap between what was occurring and what was necessary to ensure that Telstra’s network was adequate for the task, that 14 per cent of Telstra’s lines were faulty, that there had been a massive deficit in training and a loss of skilled staff, and that $5.7 billion was required to upgrade the network to a modern communications standard.

But the true magnitude of the National Party’s betrayal of their regional constituents has only really been revealed in the last couple of days. When the legislation was tabled yesterday—the set of bills involved in the
privatisation of Telstra—a couple of obscure provisions came to our attention. They are proposed sections 158ZJ and 158ZK of the consumer protection legislation, one of the various bills for the privatisation of Telstra. These provisions relate to the $2 billion Communications Fund that is supposed to be invested for the benefit of regional Australia. It is supposed to be an investment fund that would provide a perpetual stream of funding for telecommunications services in regional Australia.

The provisions of the proposed legislation reveal that, contrary to the demands and claims of the National Party earlier in the year when the negotiations about the ‘incentive payment’ were occurring, the government is able to provide this $2 billion in kind in Telstra shares. It does not have to put in real money; it can put in Telstra shares. Secondly, this decision cannot be disallowed in the Senate, so it is Barnaby Joyce proof. Thirdly, the transfer of Telstra shares into this fund is notional only, because of the requirements of the financial management act. So what this gives the National Party is effective control over roughly four per cent of Telstra’s shares. Given that they face the risk of a declining dividend stream, and alternatively or possibly together with that a risk of substantial further reductions in share prices and, therefore, capital losses rather than capital gains, what they are left with is four per cent of a private company. On the government’s provisions they are left with four per cent of a private company.

The government says that you cannot tell Telstra what to do when you own 51 per cent of it; it is difficult to conceive how it can persuade the National Party that you can tell it what to do with four per cent of the company. We do know that the National Party are not that bright, so I concede that it is possible that they have bought this one, but it is hard to see how.

We now know the true reason for the panic. This is something that has been puzzling me. Why is it that the government have said, ‘We’re not in a hurry to sell Telstra. Clearly the share price has gone down; it’s a bit low at the moment. We’re in no rush’ but that the legislation was introduced in the parliament yesterday and we were debating it yesterday afternoon? I think we now know the reason. The National Party are being dudged on their deal and the government are relying on the fact that they are slow readers. It takes them a while to get through all those pages and the government are relying on that fact, hoping to God that they will not notice they are being dudged. That is the reason the legislation has been introduced and is now being debated so quickly. There is the answer. The ink is barely dry on this deal and the National Party are already being dudged by the government. They are getting their incentive payments in phoney pesos. That is what is happening to the National Party.

You would reckon they would have figured it out by now—that the bloke they are dealing with stripped Telstra in order to prop up the share price and pursue his extreme obsession with privatising it. He has covered up the true state of the network, services and infrastructure. He has effectively misled the private shareholders, the minority shareholders, in Telstra by hiding the truth. He has been taking his corporate ethics lessons with Rodney Adler in order to ensure that he can pursue his own agenda at the expense of the private shareholders in Telstra. And when he is exposed, he comes out and says, ‘I got legal advice that says I wasn’t allowed to let people know.’

It was very interesting in question time today, when he was asked, ‘When did you ask for the legal advice; when was it received?’ He would not answer. I have been through this process numerous times, when we have had these kinds of issues before the
parliament. This is the first time that I can recall the Prime Minister not only refusing to table legal advice but also refusing to say when he asked for it and when it was given. So I think we are entitled to presume that either there is no legal advice, it does not exist, or, at best, it was sought a couple of days ago—not when he thought he might have an issue about informing the minority Telstra shareholders that, contrary to the public position on 11 August, not all things were well at Telstra but a couple of days ago when it looked like he was in trouble. So it was not when the shareholders might have been in trouble, not when their share prices were under threat, and not when Telstra were faced with serious problems and he had a clear moral obligation to ensure that they were aware of these highly market-sensitive facts. I suspect that, if there is any legal advice, it was sought when it became clear that he had a political problem—that he had been sprung.

So if the National Party have not woken up to this bloke yet, you would have to ask how quick they are. You would really have to wonder just how on the ball they are when they are representing their rural constituents. They are already being duded. The very clear, simple fact that sticks out in this whole process—and has all along—is that the National Party have betrayed their constituents in regional Australia. Telecommunication services in regional Australia are not only not up to scratch; they are getting worse. I remind the parliament of a document from Telstra’s infrastructure division that I tabled in this place a bit over a year ago. It outlined in very fine detail the fact that not only were the faults in Telstra’s network getting worse; they were going to continue to get worse. Faults were actually escalating. Yet, throughout the election campaign, the National Party and the Prime Minister told the Australian people—particularly their regional constituents—that services were up to scratch. The $3 billion incentive payment is already starting to melt away in their hands, before the ink is even dry on the deal. In the next election for sheriff—for who is going to protect the interests of those villagers, those people in regional Australia—they are going to be in big trouble.

Ms PANOPoulos (Indi) (3.42 pm)—The member for Melbourne kept on talking about villagers. He has just proved through that disgraceful speech that he is truly the Labor Party’s village idiot. We really have to look behind the Labor Party’s motivation in their feigned concern for rural and regional Australia. What a joke! You just need to look at the figures. On the one hand, the Labor Party have four rural seats represented in this parliament. On the other hand, the coalition has 38 rural seats. The Australian people have made a decision about which parties represent their interests and which parties deliver. And what do you expect? We have seen in the last few months the Labor Party opposing all sorts of assistance packages for rural and regional Australia. They have had a go at the Regional Partnerships program—and they will continue to have a go at that—but do they actually go and visit rural and regional communities and find out what they really need? No.

The member for Melbourne, in his very patronising and arrogant way, talked about the poor villagers in the backblocks. How disgusting and disgraceful! His words are in Hansard. They will be spread right around this country and people living in rural and regional Australia will have their view reaffirmed: that the Labor Party not only does not care about being fair and providing services but also does not even pretend to anymore. Let us remember who corporatised Telstra. Who decided to allow Telstra to run under Corporations Law and to allow the management of Telstra to govern its activi-
ties? It was the Labor Party. That was the course that it set and that is the course that is being continued. And now, somehow magically, it is trying to rewrite the rules and claim that the government runs Telstra. Everyone knows that the government does not run Telstra.

What this government has done—which the Labor Party refused to do when they were in government—is instigate in law a customer service guarantee, universal service obligations, and it has beefed up the reformed regulator for all telecommunications providers. This government cares about providing and delivering services where the market cannot and ensures that Telstra does not go on its own merry course and not provide the services that are needed—that it has a regulator with the teeth and the resources to ensure that it is monitored and that it abides by the laws this parliament has made. A lot of these regulations and obligations on telecommunications providers were passed by this parliament with great opposition from the Labor Party. What did they fear? Why did they fear placing obligations on Telstra and other telcos to abide by the law? The reality is that they never cared. They have never cared about delivering services where the market fails, and they never will.

We have had all these allegations about what was said on 11 August and what should have been disclosed to the Australian public. The Labor Party know that it is not the government’s job to monitor every single private company. That is the job of ASIC, and that investigation is in place at the moment. There was outrage—it is quite extraordinary—but what do you expect from a desperate opposition with ‘Mr Twenty-Nine Per Cent’? They are just clutching at straws. They are somehow trying to claim that the knowledge regarding the paying of dividends out of retained earnings was secretive and disgraceful. The reality is that this knowledge has been in the marketplace since July last year. There was no surprise; there was no shock. This is the Labor Party again. In place of any policy, any vision and any inspiration or them actually doing their job as an opposition—which is what Australian people demand and deserve in this great democracy of ours—they have reverted to trying to trade on the fears and anxiety of shareholders right across Australia. But that is what we have come to expect of them.

Labor know that a company has a choice. It can give more profits back to shareholders or it can invest in the company’s capital. Telstra made its choices and acted accordingly. To now try and claim there is some conspiracy theory between the government and Telstra is an absolute joke. But Telstra’s sudden interest in telecommunications is in stark contrast to the decision it took to sign the contract in the early 1990s to close down the analog mobile phone network that would have left people in regional areas with no coverage at all. The government rectified this situation by rolling out CDMA, which is now a huge success.

This government has placed obligations on itself through the Besley and Estens inquiries and followed their recommendations to ensure that billions of dollars of additional government funds are put into the Australian community in rural and regional areas to subsidise services and new and emerging technologies. Tomorrow, I will be opening a CDMA tower at Tungamah, which is part of the government’s response to the Estens inquiry. Under Labor, there was little to no competition in the telecommunications industry and certainly—and disgracefully—no consumer safeguards. Consumers had very little choice of phone company, very little access to new services and their phones were installed or fixed only when the company felt like it. We have heard these horror stories. There have been improvements in terms of
not only service but the range of services available to all Australians, particularly those available in rural and regional Australia.

But the Labor Party turn their back, because they do not care. They think that, to win government next time, they just have to raise their voices, abuse people who live in rural and regional areas and abuse other members of parliament—calling them ‘slow readers’—and that will get them across the line. Perhaps they have counted all the seats in metropolitan areas and they think that is good enough. But that is shirking away from the basic responsibility of any leader of any party who wants to form government—that is, to govern for all Australians.

The Labor Party is an absolute disgrace. It is an absolute joke. But what do you expect? Forty per cent of its representatives are supposed to be elected because they are women, 40 per cent are supposed to be elected because they are men and 20 per cent—only 20 per cent—of them are supposed to be elected on merit. You are an absolute laughing stock and a joke—and the Australian people know that. We see the tokens on the other side of the parliament—who are not there because their communities have selected them but there because of some deal, some inane, extreme ideological position where they have to get a certain percentage of people from certain unions and a certain gender into this place. Well, you have failed.

Mr Secker—A small gene pool!

Ms PANOPOULOS—The member for Barker has reminded me of the very small political gene pool in the Labor Party that has resulted in this uncaring attitude about those people who live in rural and regional Australia. We cannot believe Labor on Telstra. It has privatised everything it could get its hands on when it was in government. In a share prospectus it promised that it would not sell anymore of the Commonwealth Bank. What happened? It sold the Commonwealth Bank. It then drew up a detailed proposal in the mid-1990s to try to get BHP to buy Telstra. There is obviously a short-term memory loss in the Labor Party. I am sure it does not remember that, back in 1991, not only did Labor establish Telstra as a corporation under the Corporations Law but the Labor minister for communications at the time, in his second reading speech, said:

… the fiduciary responsibilities of the directors of the company will be the same as those applying to directors of private sector companies.

We now have the Labor Party coming into this chamber, obviously upset that recent economic figures show that this government has made the difficult decisions—it has made the right reforms to place Australia in an economically resilient position—and that this government is making the decisions to invest in the future of telecommunications in this country. They are desperate. All they want is bad news. Bad news for this country and bad news for Australians is a good day for the Labor Party caucus meetings, early in the morning. Shame on them, and they will be judged by the Australian people. We had the member for Melbourne talk about pork-barrelling. It is no surprise that the Labor Party did not support our HiBIS program. I am sure that the member for Melbourne was also referring to our low-income customer package—(Time expired)

Mr WINDSOR (New England) (3.52 pm)—We have just heard another speech, from the member for Indi, suggesting why the government should stay involved in Telstra. I have never claimed, and a number of other members of this parliament have never claimed, that the current ownership of Telstra has been a negative for us. I think Telstra Country Wide in particular has done a good job with very limited resources. What we have seen in recent weeks is the admission by the chief executive officer and other sen-
ior executives as to why there has been a massive underspend and why there has been a concentration on the share price. We have all been through that, but all the speeches from the government today have essentially been about what has been achieved with government involvement. What could have been achieved with government involvement if the focus had been on service and the provision of infrastructure, as was suggested by the new CEO a few short weeks ago?

In my view there is no doubt that there has been progress. As I said in my speech this morning, I think the electorate of New England has had more mobile towers built in the last four years than any other country electorate in Australia. That is partly because of neglect in the past, but it is also partly because of geographic problems you would recognise, Mr Deputy Speaker Causley, in terms of some of the topography of that particular area. Nonetheless, there have been improvements. It is not to say that a partly government-owned Telstra cannot provide improvements. It can be better managed and it can be better focused. It has become very obvious to me that the government’s focus has not been on service; it has been on share price, and we are seeing that daily, as this unfolds.

I would like to spend a little bit of time on what has unfolded today. I asked the Deputy Prime Minister and Leader of the National Party a question in question time today about his knowledge of the 11 August meeting. Those who paid some attention to the answer would know that he did not admit whether he was in that meeting. He did not admit to having any personal, prior knowledge of that meeting. He was on Paul Bongiorno’s program on Sunday, 14 August—three days after that meeting—where he was questioned by Michelle Grattan and others, and he did not indicate that he had received expert advice. He actually said that he would be seeking expert advice on the various infrastructure problems so that they could make a decision. I think he said, ‘It is a very complex decision; it is very technical—we’ve got to take advice from experts in the field.’ Senator Barnaby Joyce has said similar things over that time—that he was not an expert, that no-one is an expert, but he was going to consult with the experts.

I would have thought that the senior executives of Telstra could be considered to be experts, with their backgrounds and the research that they would have done on Telstra, the infrastructure, what is required in the future, how you can do that and what sorts of funding arrangements you have to put in place. I would have thought that they would have some expertise in this. The indications now are that the Deputy Prime Minister was in on that meeting and that he may have breached some disclosure provisions by coming out of that meeting and telling people, but he would not say that in question time in relation to my question today.

Did Senator Joyce become aware of the appalling underinvestment in infrastructure and the state of the network that the senior executives made plain to the Prime Minister and others—the Minister for Communications, Information Technology and the Arts and the Minister for Finance and Administration? When he returned to Queensland to talk to the management committee of the Queensland National Party, did he make them aware of that information? He had spent weeks saying that he was going to talk to the experts to find out what was wrong, as he would not be selling it—and, prior to the election, he was not going to sell it at all—if it was not up to scratch. So, when he carved out this mysterious deal and returned to Queensland, was he aware of the infrastructure neglect that the CEO and others had pointed out to the Prime Minister and, pre-
sumably, the Deputy Prime Minister? Was he aware of that?

These are questions that really do need to be answered, particularly before a vote is taken in the Senate. What were the circumstances under which this decision was made by the Queensland National Party? If Senator Joyce is serious about representing those constituents, he has some questions to answer. If the answer is that he did know about this—given his previous utterances regarding his concerns about the infrastructure and being able to provide for future infrastructure—and did not inform the management council of the Queensland National Party, my view is that that is a severe dereliction of duty that would bring discredit to him as an individual. I do think they are questions that need to be pursued. What was the role of the Deputy Prime Minister in relation to the issues that were raised by the experts, not the least of which was the issue raised today by the Leader of the Opposition about the disclosure provisions? But I am more interested in the way in which the management committee of the Queensland Nationals was conned into believing that this is a good deal.

As I have said on other occasions, the minister for communications has said that since 1997 there has been an investment of $1 billion in Telstra. I can show you her press release if you like. My calculations suggest that that is an average of $125 million a year. The deal that has been done by the Deputy Prime Minister and others—this future-proofing arrangement, the Future Fund that they are talking about—is the interest off $2 billion. According to the Deputy Prime Minister on the same program, he believes that will be about $100 million a year and that will carry out this process: $25 million less than we are getting now will future proof the nation. That is a disgraceful thing to say, particularly given that he had the full knowledge of the CEO’s disclosures about the condition of the network, some weeks prior.

To go out and say to people in country Australia, ‘We’ve carved out this good deal for you,’ which is $25 million a year less than the government has been delivering over the last seven years, is an absolute disgrace. I do believe that the Deputy Prime Minister, in particular, and the National Party, in general, have a number of questions to answer. Was he at the meeting? He would not say today if he was at the meeting. He would not say when he knew of that information. He talked about a whole range of other things; he did not say that he was aware of that information. Obviously he was. When was he? Was he in the meeting? Was he in there all the time? What was he told? Who did he tell? What were the discussions with the Prime Minister on the disclosure of the tragedy that had unfolded in front of them when someone told the truth about the network? What ensued from that meeting? Who was told? When was Barnaby Joyce informed? Was the appointment of the member for Maranoa as president of the Queensland branch or whatever it is some months prior all just part of the theatre?

We were told that this great deal that had been carved out—a very short-term thing, in my view—had a billion dollars for broadband roll-out et cetera. I am sure that will help—no-one denies that—but you do not have to sell the commodity to deliver that. It is an instrumentality that has been delivering over $2 billion to government annually; it has produced $57.5 billion since 1997 by way of dividends and sales but with $1 billion reinvested by government in the network. No wonder Sol Trujillo and his colleagues are offended by what they have seen when they have come out here. They should not be castigated in the way in which they have been, even if they have breached some of the disclosure provisions. They have told
the truth to the Australian people on the state of this network, and that should be applauded. \(\textbf{\textit{Time expired}}\)

The \textbf{DEPUTY SPEAKER (Hon. IR Causley)}—The discussion is concluded.

\textbf{POSTAL INDUSTRY OMBUDSMAN BILL 2005}

\textbf{Report from Main Committee}

Bill returned from Main Committee with an amendment; certified copy of the bill and schedule of amendments presented.

Ordered that the bill be considered immediately.

\textit{Main Committee’s amendment—}

(1) Schedule 1, item 11, page 19 (line 32) to page 20 (line 5), omit subsection (2A).

The \textbf{DEPUTY SPEAKER}—The question is that the amendment be agreed to.

Question agreed to.

Bill, as amended, agreed to.

\textbf{Third Reading}

\textbf{Mr NAIRN (Eden-Monaro)}—by leave—

I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

\textbf{COMMITTEES}

\textbf{Native Title and the Aboriginal and Torres Strait Islander Land Account Committee ASIO, ASIS and DSD Committee Membership}

The \textbf{DEPUTY SPEAKER (Hon. IR Causley)}—I have received messages from the Senate (a) informing the House that Senator Carr has been discharged from the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Account and that Senator Evans has been appointed a member of the committee and (b) informing the House that Senator McGauran has been appointed a member of the Parliamentary Joint Committee on ASIO, ASIS and DSD.

\textbf{CUSTOMS TARIFF AMENDMENT BILL (NO. 2) 2005}

Message received from the Senate returning the bill without amendment or request.

\textbf{TELECOMMUNICATIONS LEGISLATION AMENDMENT (FUTURE PROOFING AND OTHER MEASURES) BILL 2005}

Cognate bills:

\textbf{TELECOMMUNICATIONS (CARRIER LICENCE CHARGES) AMENDMENT (INDUSTRY PLANS AND CONSUMER CODES) BILL 2005}

\textbf{APPROPRIATION (REGIONAL TELECOMMUNICATIONS SERVICES) BILL 2005-2006}

\textbf{Second Reading}

Debate resumed.

\textbf{Mr TUCKEY (O’Connor)}—Before the interruption of my previous representations on the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and cognate bills, I was explaining to the House the processes which the Labor Party followed to fully privatise the Commonwealth Bank. I had got to the point where a letter had been sent to the Commonwealth Bank employees union promising it faithfully, prior to an election, that whilst they had sold 49 per cent or thereabouts of the bank there would be no more sale of that entity. After the election, having been surprisingly re-elected, the Keating government announced the sale of the balance and they gave a simple reason—a reason with which the opposition at the time, of which I was a member, concurred. You cannot have commercial hybrids half-owned by the government—that was their excuse. Isn’t it amazing that we now have their whip get-
ting up to call a quorum because he does not like the message that he sold the Commonwealth Bank. (Quorum formed)

I thank my colleagues for giving me their support. The reality of what I have just explained stands in stark contrast to how the opposite sides of politics have dealt with the community on issues of this nature. Ever since I have been in this place, the coalition has stood for privatisation. Throughout much of its incumbency in government, the Labor Party said privatisation was an obscenity, until they ran out of money and sold whatever they could get their hands on. And what is more—and this should be the subject of great criticism—they never told the people they were going to do it. I think you could go through their entire election policies, year after year and election after election, and never find one occasion where they had advised the people, prior to an election, of their plans for privatisation. They just sold it thereafter. As the Treasurer has drawn to the attention of the House on many occasions, they not only made the sale—and in that period borrowed $80 billion—but also spent all the proceeds of any sale.

Each and every one of them—including the member for Melbourne in the MPI—gives us a litany on how bad Telstra is in the corporate form that they created. Their argument is that, to look after the community and ensure services, we should keep it that way. We have seen how little power the government, as the majority shareholder, has over the performance of the board. That is commonplace in other company structures, and I have already drawn the attention of the House to company law in that regard. But what is the legislation we are debating all about? The member for New England bemoaned the amount of money. There is not enough money in Australia to meet Australia’s desires and expectations for its telecommunications. When Telstra is sold, for the first time in a long time government need not have a specific policy for Telstra. It will have a policy for the telecommunications industry, and its regulatory powers can then be used appropriately because it does not have a conflict of interest.

In that regard there are quite a few proposals in this legislation and in legislation before the Senate. We are not going to rely on the taxpayer to ensure good services throughout Australia—and I mean city, outer city and rural and remote areas; we are going to make it clear to the industry that if they want to profit from the good bits they must provide a universal service. As has been pointed out in the House, the government implemented the universal service obligation—and the member for Franklin is probably old enough to remember what the fully government owned entity was like. I do. A very large number of residents of my electorate did not have a telephone. I remember people in metropolitan areas thought it commonplace to wait six months to get the phone connected—and that is supposed to be good. You used to pay a third of the basic wage to make a trunk call. Tell me it was a good system when it was owned by the government! Now it is going to be owned by shareholders, whatever they pay for the shares.

The reality is that government can do its job on the potential service to the community. I have an example which I use from time to time because of my background in the hotel industry. You can drive into tiny communities around Australia and there is a substantial two-storey building sitting there giving service. Why is it there? It is there because the legislators of 100 years ago said to people, ‘If you want to sell beer and alcohol in communities, you will build an adequate structure,’ and people did. Those buildings have survived. As time has gone by and tourism and other things have taken over, the
authorities have been sensible enough to say to many of them: ‘You no longer need to provide that accommodation, stabling for horses et cetera, because it is being provided by other competitors; we will make you a tavern,’ or whatever. I hope this legislation will recognise the changing technology that is coming. With this legislation, the government is saying: ‘We will make regulations not for the company of which we own half, and not for Optus, Vodafone or Hutchison, but for the telecommunications industry. We will expect them to provide an adequate service and they will put their licence and their right to make money at risk if they do not meet the obligations that the government will require from time to time.’ That would be a perfectly sensible outcome and it would be the proper role of government.

People talk about this $2 billion profit in one breath and how we should hang on to it, and then in the next breath they are telling us, ‘But Telstra has been paying out too big a dividend.’ They cannot have it both ways. The member for New England mentioned that: ‘Don’t let the $2 billion go—but you have to invest more in infrastructure.’ That is going to be a commercial decision in the future and the government is going to provide some money. Of the HiBIS scheme—which has been available for 18 months—the original $100 million has not been spent yet because people have to ring up and ask for it. But can anybody tell me that in a real rural electorate the people have a lousy service today compared to the one I remember when I was first elected? I see the member for Ballarat raise her eyebrows—she was probably still in nappies when I am talking about. She would not know. Unless she has a laptop, she probably cannot talk or add up. The reality is that people started off with telephones in my electorate that simply—

Ms King—I rise on a point of order, Mr Deputy Speaker. Much as it pains me to have to do this, could you ask the member to withdraw that comment. I found it most offensive.

The DEPUTY SPEAKER (Hon. IR Causley)—There have been so many comments thrown around in the last hour or so I do not think that was offensive.

Ms King—Under the standing orders—

Mr TUCKEY—The member for Ballarat is now taking a frivolous point of order because I apologise; I withdraw.

Ms King—I rise on a point of order. Mr Deputy Speaker, I find the remarks of the member for O’Connor offensive and I ask you to ask him to withdraw them.

The DEPUTY SPEAKER—Will the member for O’Connor withdraw the comments?

Mr TUCKEY—Mr Deputy Speaker, I withdrew while she was still talking. She is apparently also hearing challenged. The reality of this situation is the government is selling an asset that brings no value to the taxpayer. It is proposing to place the money or part thereof to guarantee the pensions of public servants which are presently unfunded. It is putting that industry out there with others. It proposes to regulate across the board for all telcos, and it will demand they deliver a universal service and not cherry pick. And that is good. But the suggestion that Telstra is worse today than it was some years ago is wrong. And, if it were, why would you keep it? It is a ridiculous concept and it is all to do with a philosophy that the Labor Party abandoned in government when they ran out of money. (Time expired)

Ms KING (Ballarat) (4.17 pm)—It is always a great delight to follow that charming gentleman, the member for O’Connor, who frankly disgraced himself in this place just before. When the member for O’Connor was in nappies I think abacuses were the pre-
ferred method of counting. I rise today to speak in the cognate debate on the government’s telecommunications bills to flog off the rest of Telstra. I have to register in the strongest possible terms not only my opposition to the bills but also my opposition to the government’s process and their contempt for parliamentary processes where they introduced these bills yesterday and sought to have them debated and passed in almost 24 hours. Usually, even with the most urgent of bills, the government has at least given a couple of weeks to allow us and other interested parties to examine the detail of the legislation. What we have also seen today is an absolute contempt for the Australian public where advertised in today’s Australian newspaper is the Senate inquiry into these bills—two of which have not even been introduced into this place yet—with a submission date closure of tomorrow. How are country people—how is anybody in this community—supposed to be able to put in a submission on what is the most fundamental change to telecommunications policy and telecommunications services in this country in less than 24 hours? It is an absolute contempt of the Australian people to have done that.

I can only conclude that, on one of the most critical issues for people in this country, the government knows that it is going to feel a significant amount of pain and it is trying to cauterise the wound quickly. This far out from an election it is happy to take some hits on this issue. It wants to get it over with as quickly as it possibly can, but it thinks that by the time the election has come people will have moved on and it will get away with it. The Prime Minister has an extreme ideological obsession with privatising Telstra. I hear the member at the table say, ‘We have got away with it at four subsequent elections.’ Unbelievable—he has just admitted it.

Mr Nairn—Mr Deputy Speaker, I take a point of order. The member for Ballarat has quoted words which I did not say; therefore, I would take a personal explanation at the first opportunity.

The DEPUTY SPEAKER (Hon. IR Causley)—There are forms of the House that can be used afterwards.

Ms KING—Thank you, Mr Deputy Speaker. As I said, the Prime Minister has an extreme ideological obsession with privatising Telstra. He excuses himself by trying to say, ‘My position on this issue has always been consistent.’ It may have been consistent, Prime Minister, but it has been consistently wrong. No more so is that evident than in his determination to rush these bills through without any proper scrutiny and in the face of revelations that, despite the Prime Minister being told on 11 August about the true state of Telstra’s financial position and the state of the network, he failed to make this information available to other shareholders. And it appears he failed to ensure that Telstra met its obligations under the Corporations Act. The government has absolutely known about the difficulties and challenges faced by Telstra, and he has kept that knowledge secret. No matter the evidence, no matter the problems, no matter the public view, the Prime Minister is absolutely determined to privatise Telstra; and he did not want any information to get in the way of that sale.

So today I rise in absolute outrage at the government’s cavalier treatment of the Australian people—outrage at the government’s complete disregard for people living in regional, rural and remote communities and outrage at the government’s betrayal of every working family in this country. The Telstra document given to the government on 11 August this year revealed significant problems. Thanks to the Telstra management, who have courageously come clean, we now
know that the government wanted this information to be kept under the table. Firstly, we read that Telstra has had to dip into its reserves to cough up the $8 billion in dividends required of it by the government. The document states in black and white that the company is borrowing against its reserves to pay the dividend. It has borrowed more than $550 million in 2005 and this figure is anticipated to rise to more than $2.2 billion in 2006. The member for New England made a very good point in his contribution to this debate. What would Telstra services be like if this money had been ploughed into infrastructure and services instead of being used to prop up the government’s share price? What if it had been used in infrastructure and services instead? He has exposed that the National Party had been sold a pup with the deal that it has done. In the words of the great Aussie who was an icon when I was a teenager, it is a ‘dirty deed done dirt cheap’.

It is unbelievable. Those people in my electorate who run manufacturing companies, large and small businesses, farms or family and household budgets will know that to dip into your reserves in order to pay dividends to the company is not a sustainable strategy. In fact, any child playing Monopoly knows it does not work: you cannot borrow against your reserves indefinitely. The Telstra board agrees, and says, ‘This kind of borrowing to pay dividends is not a sustainable policy or practice.’ There is no way that the Prime Minister and the Treasurer could not have known about this. They would have been talking to the Telstra management, in detail and in depth, each and every time there was a discussion about dividends around the budget. And yet they kept it secret.

Secondly, we see that a lack of investment in core infrastructure and capabilities has seen a massive drop in profitability and services. Fourteen per cent of lines have faults, with Telstra receiving 14.3 million fault calls. If I apply that statistic to the 150 privileged members of this place, I could reasonably state that at least 21 have faulty telephone lines. But, of course, we know that those faults do not apply equally across the country. Those of us representing regional communities know that all too well. Members representing areas such as mine know their constituents are living with second-rate telecommunications services. I have spoken in this forum about the regular contact I have from constituents grappling with poor telecommunications services, including not being able to access ADSL and poor mobile phone coverage.

I want to talk about some of the cases I have had in the last month alone. Graeme from Mount Egerton went to Numurkah on holiday recently. It is not in my electorate. He was forced to struggle through floodwaters to get CDMA coverage, putting his life in danger. To add insult to injury, when he got back home, his home phone was not working. When he contacted Telstra, they told him to try and fix it himself and to call back if he could not.

This week Colin of Bacchus Marsh emailed me a saga of disasters. From the first instance of having ISDN installed at his home, the system consistently failed and broke down, and numerous reports and complaints to Telstra or BigPond failed to resolve the problem. Colin finally agreed to BigPond’s suggestion that he upgrade to ADSL. He stayed at home from work for the duly appointed technician’s visit on three separate occasions, missing a day’s pay each time. Each time he was stood up and only on the third occasion did he even receive the courtesy of a phone call. When the technician finally arrived and successfully installed the ADSL system, Colin’s home phone stopped working. More days and more lost income later, another technician came—all the way from Gippsland—and discovered the ADSL...
installation had caused a broken wire. This entire mess has cost Colin close to $1,000 in lost income. To rub salt into the wound, Telstra is denying that Colin has even made a complaint or had a problem, despite his requests at every contact that his call be recorded or logged.

I want to talk about another case. Judy and John from Denver are still trying to resolve an eight-month-old problem. I will read their letter into the record in the remaining time I have before the adjournment debate. They say:

I am comforted by government assurances that Telstra will not be fully privatised for the next two years or so. Perhaps that will give you time to sort out our problems, which I’m sure you would wish to do before inflicting them on an unsuspecting buyer.

We moved from Melbourne to “the bush”—an hour and a half from the CBD—last August. We’d have thought twice about doing so if we had realised the communication problems we were going to have.

First up was the problem of the mobile phone. We were told at an official Telstra sales outlet that our reception problems would be solved with the purchase of a CDMA phone. We went ahead with this purchase. Not ONCE have we been able to send or receive a mobile call on this phone. It was a complete waste of money.

We then had a landline installed ... At least, we thought, we would have access to the Internet. We then discovered we could no longer use our old ISP and were forced to swap to BigPond, that being all that was available to us for the price of a local call. And then the nightmare really began.

To complete the connection to BigPond takes us, on average, seven attempts, that is SEVEN local calls at our expense. Ten, fifteen, even twenty attempts is not at all uncommon. At eighteen cents a time. Even when we are finally up and running, we are constantly dropped off, sometimes after only two or three minutes, sometimes after five or ten. We have missed out on cheap airfares because we were disconnected just as we were about to verify the booking. I have had to rewrite long and complicated emails to my work—

Judy works in the media—

We have had two family tragedies in the last two months and have been dropped off while trying to relay the most awful news to friends and loved ones.

We have had enough. I depend on the Internet for research to earn my living and for email to receive and deliver my work, which is our income. We want to know what you intend to do to rectify this problem because we refuse to believe that it cannot BE rectified. And we want to know soon. We know—and everyone in the bush knows—we are not alone with these problems. What we DIDN’T realise is just how close to Melbourne the bush begins.

We are not asking for special treatment, nor for special services. All we want is a reliable phone line with an Internet connection. We’re not even discussing broadband which, I am certain, is out of the question here for the next decade or so.

We look forward to your reply.

This letter was written to Telstra in January. To date the problem has still not been resolved. Finally, in August, Telstra promised that a contractor—it had originally promised to replace the line—would repair the line and Judy and John of Denver are still waiting.

These are three cases. Every single one of these problems, which people in my electorate have raised with me, can be linked to the fact that Telstra has not invested the necessary $2 billion, $3 billion—in fact, it is $5 billion—over the past three to five years to actually fix and manage its infrastructure. Telstra executives are now clearly saying after their scant eight weeks in the job that there is a need for a $5 billion investment just to bring the network up to scratch. Telecommunications is a difficult industry with many challenges—we acknowledge that—but hiving off cash to pay dividends while infrastructure and planning are left to languish due to lack of investment is no way
forward. While all of this has been going on, while one of Australia’s major companies has been undertaking these kinds of management decisions, nobody in the government has admitted that there is even a problem. This is standard practice for the government and the Prime Minister’s own special version of non-accountability and non-responsibility. I seek leave to continue my remarks later.

Leave granted.

Mr NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (4.29 pm)—Mr Speaker, I wish to make a personal explanation. During the telecommunications debate the member for Ballarat verballed me when she said that we have got away with it four times in relation to the privatisation of Telstra. What I actually said was that we have gone to four elections with this policy.

Debate adjourned.

ADJOURNMENT

The SPEAKER—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

Islamic Fundamentalism

Mrs IRWIN (Fowler) (4.30 pm)—When the Prime Minister visited Louise Barry, an Australian victim of the July London bombings, she asked him if he thought that having troops in Iraq had made Britain a target for terrorist attacks. In reply the Prime Minister said, ‘No, I do not think it is event specific.’ He went on to say that the terrorists were driven by a:

... perverted and twisted and incorrect depiction of extreme Islam.

His comments were similar to those made at the time of a terror alert in November 2002 in the lead-up to Australia’s commitment to the war in Iraq, when he said that the government’s stance on Iraq has not made Australia more of a terrorist target. He added:

They hate our culture, they hate our freedom, they hate our openness, they hate the fact that we give equality to women and that has nothing to do with Iraq.

The Prime Minister has stuck to that line ever since. It is the same line that US President George Bush and British Prime Minister Tony Blair have been running. All three also ran that other famous line that Iraq possessed weapons of mass destruction, which has long since been shown to be false. But the Prime Minister continues with his stance in spite of growing evidence which shows that recent terrorist attacks have resulted from countries’ involvement with the Iraqi war.

The most telling evidence comes from a study by University of Chicago Associate Professor Robert Pape. Pape studied every suicide terrorist attack from 1980 to 2004. His findings were that suicide terrorist attacks are not driven by religion as much as an objective of compelling democratic states to withdraw military forces from the territory which the terrorists view as their homeland. From Lebanon to Sri Lanka, to Chechnya, to Kashmir, to the West Bank 95 per cent of all incidents had that objective. In Lebanon only eight out of 38 suicide attacks were carried out by Islamic fundamentalists, and the attacks faded away after the withdrawal of US, French and Israeli forces from Lebanon.

Two countries seen as being Islamic fundamentalist are Sudan, where Osama bin Laden lived for three years, and Iran, part of George Bush’s ‘axis of evil’. Yet, according to Pape, there has never been an al-Qaeda suicide terrorist from Sudan or Iran. Pape also points to an al-Qaeda planning document found by Norwegian intelligence that claimed that al-Qaeda would not hit the US but would hit US allies, starting with Spain. We have seen the tragedy of how that strat-
egy is being followed. We know there were no suicide attacks in Iraq before the US-led invasion, but we have seen more than 50 in the first half of this year.

In March last year, the Australian Federal Police Commissioner, Mick Keelty, was forced to retract his suggestion that our involvement in Iraq probably made us a target of terrorist attacks. That does not suit our Prime Minister. He sticks to his line that Islamists are to blame. He will not admit that it is Australia’s involvement in Iraq that has made us a terrorist target.

I do not suggest that the government should change its policies in the face of terrorism, but it should be honest with the Australian people and it should drop its thinly veiled attacks on Australian Muslim communities, like the stupid remarks about headscarfs made by the member for Mackellar and the member for Indi. The government should have the courage to tell the Australian people the truth. We must all know that our intervention has consequences for all Australians, not only those in our armed forces. As Robert Pape clearly shows, terrorists do not hate us for what we are; they hate us for what we are doing in their home countries. When we can appreciate that, we will be a lot closer to solving problems in Iraq and reducing the risk of terrorist attacks against Australians. But this cowardly government wants to hide behind another lie—the lie that Islamic fundamentalism is the root of terrorism.

Maranoa Electorate

Mr BRUCE SCOTT (Maranoa) (4.35 pm)—I rise this afternoon in the adjournment debate to discuss a topic that is very important to the many families living in my electorate, particularly in the remote areas. Members of this House know the natural beauty and tranquillity of Maranoa and how it draws people to live out there. However, the unfortunate dilemma for many families already living or considering living in remote and very remote parts of Australia—for instance, in places in my electorate such as Birdsville, Bedourie, Windorah and Jundah—is the inevitable high cost of living because of additional freight costs created by the large distances travelled to get essential goods like petrol, fresh fruit and vegetables, groceries and toiletry items to those locations, not to mention building costs in that part of Australia.

Let me illustrate how these additional freight costs are passed on to customers. On Tuesday this week, people in Jundah had to pay $1.45 for petrol while their city counterparts in Brisbane were paying only $1.17. On the same day, people in Bedourie were paying $4.90 for two litres of milk, yet in Brisbane the price was $2.45. A loaf of bread in Birdsville on Tuesday cost $4 as opposed to $3.30 in Brisbane. To make fair comparisons, I have not found the cheapest prices in Brisbane but rather sourced the prices from a service station. As you know, Mr Speaker, service stations have higher prices on most of their grocery items because they have a small turnover, so these comparisons are by no means skewed; in fact, they could be considered generous.

Illustrating these higher cost comparisons of general grocery items, which retailers have to pass on to their customers in order to remain viable, highlights the undisputable fact that living in remote and isolated parts of Australia increases the cost of living. However, it is not only the increased costs of fuel and grocery items that add to the cost of living. Travel expenses are also substantially more. For instance, a one-way flight from Brisbane to Birdsville is $226 at its cheapest, and the cheapest one-way flight from Brisbane to Cairns—a similar distance—is $99. But price is not the only difference. Flights to and from Brisbane and Birdsville by the
same airline operate only twice a week. Between Brisbane and Cairns, three different operators have up to four services each way, each day of the week.

In 1945, the government of the day recognised the need to offset these increased costs of living in isolated areas with what was called the Zonal Tax Rebate Scheme to encourage settlement in eligible locations. Under the current laws, people receive this rebate regardless of their income. Furthermore, 11 per cent of the recipients of this rebate today are eligible on the basis of their employment under a fly in-fly out arrangement, where the employee’s place of residence is so often not in the designated areas. That costs the government some $35 million a year. The most ironic fact with the history of the Zonal Tax Rebate Scheme is that the zone boundaries have never been changed since its inception in 1945. The only change to the scheme came in 1992, which was an amendment to the value of the rebate.

Surely an ordinary Australian would not consider Cairns to be remote in this day and age, 60 years on from the original legislation. Today it is a large coastal town with a population of 123,760. It has an international airport and a well-attended university. Compare this with the Barcoo Shire in my electorate, which has the towns of Jundah, Windorah and Stonehenge. Those three towns have a total population of 460. There are no commercial flights into or out of any of these towns, and access to these towns is usually via unsealed roads. However, under the existing scheme—and this is the point of my adjournment speech—the rebate is exactly the same for a person who lives in Cairns as for a person who lives in Jundah or Windorah in the Barcoo Shire. This is clearly unfair.

A report by John Keniry titled Regional business: a plan for action, which was presented to the government in 2003, highlights several proposals for reforming the Zonal Tax Rebate Scheme. I commend these recommendations to the government and I would like to see these proposals acted upon. As a member of the coalition government, I will be encouraging other members to get behind these necessary changes to ensure the original integrity of this very important scheme is re-established.

**Down Syndrome Association Conference**

Ms ANNETTE ELLIS (Canberra) (4.40 pm)—Just over a week ago, I had the pleasure of attending here in Canberra the ACT Down Syndrome Association conference titled ‘The Way Ahead’. The conference was held from Friday, 26 to Sunday, 28 August at the Hellenic Club in Woden. While the conference was originally organised by the ACT Down Syndrome Association, the sister organisations from New South Wales, Queensland, Tasmania, South Australia and Victoria also attended, with messages of support sent from Western Australia and the Northern Territory.

Evelyn Scott, the immediate past president of the ACT Down Syndrome Association, a large band of volunteers and a very dedicated organising committee worked tirelessly to ensure this conference achieved some very important aims. Firstly, the issues discussed affecting the lives and futures of people with Down syndrome included antenatal practice; ethics and beyond; best practice in early childhood education and therapy programs; planning for the future of people with Down syndrome; educational transitions; independent living, employment and housing; lifelong learning and career development; inclusive community practices; behaviour management and protective behaviour; and family and community.

There were also some very informative and sometimes challenging plenary sessions. The very impressive list of speakers included
academics, medical practitioners, and disability and other community experts. For me, the presentations by people with Down syndrome carried the most poignant of messages: ‘We know who we are and we want to live our lives just like everyone else, with independence and security, and to contribute to society through community involvement and employment.’

The various Down syndrome organisations from around Australia had also been discussing the possibility of forming a national voice for people with Down syndrome. A lot of preliminary work had been done, and it was hoped this conference would provide the opportunity to move forward to that next important step. That step was achieved, and the Down Syndrome Australia Network has now been established across all jurisdictions. Everyone involved, from all those state and territory organisations, are to be heartily congratulated. People with Down syndrome will benefit enormously from this important beginning.

Sadly, we all know the difficulties people with disabilities can face in their day-to-day lives—for example, with appropriate and independent accommodation, access to employment, education, dealing with bureaucracy and medical and health issues. People with Down syndrome face all these issues and more. The formation of this national Down Syndrome Australia Network will mean governments and community will become more aware of these issues and, may I say, more aware of the exceptional potential people with Down syndrome offer our society. To me they are amongst the most inspirational people. With support, resources and encouragement, their potential can be realised and their own aspirations reached.

I must also mention the families, friends and carers of people with Down syndrome. They are the volunteers and the committees. They share the dreams and the aspirations of their family member or friend. The conference was supported by sponsors who I believe deserve a mention: Raytheon, the Canberra Community Grants Program, Minter Ellison, Walter Turnbull, the Hellenic Club of Canberra, Disability ACT, ActewAGL, ACT Health, the Department of Family and Community Services, Union Offset Printers and Aqua Harmony. I am confident all members of this House will join me in congratulating everyone involved in the Down Syndrome Australia Network.

I know from my discussions and my involvement with these members of our community that they hold great optimism for their future, but they also understand the difficulties they are facing. Without wishing to put too dark a shadow over my positive comments, it is fair to stand here and say that the welfare to work processes that we are looking at in the federal arena at the moment—the moves to encourage or coerce people with disabilities out into employment—are of great concern to many of us, but we have to imagine the concern they may be to some of the families of people with Down syndrome or other disabilities out there around us in the community.

I know from my experience with this community that they do not need to be coerced—they almost do not need to be encouraged at times—because their enthusiasm for reaching their own potential is just so great and so valuable. I sometimes wish that we could learn a little bit more ourselves from observing closely people with Down syndrome, their involvement in their community, how they get on with their lives and how much they can offer to the rest of us. I am very pleased with the development of this national network, and I know that members in this House will join me in wishing it every success.
Australian Workplace Agreements: Newcastle City Council

Mr BALDWIN (Paterson) (4.45 pm)—I rise tonight to raise an issue that concerns the people in my electorate of Paterson—indeed, the whole of the Hunter. You would be well aware that, in the lead-up to the shutdown of BHP, unemployment in our region was in double digit figures. Since BHP relocated out of Newcastle, the whole of the community, business councils and the like have all worked together to reduce unemployment down to single digit figures. So you can understand my concern when I saw that on 26 July and again on 2 August the Newcastle City Council decided on an act of utter stupidity—an illegal act—in putting forward a resolution to ban doing business and going out to tender with any company or business that has Australian workplace agreements in place. Australian workplace agreements have been in place in Australia since 1997, so we see here a council that is some eight years behind the times. Fran Bailey—who I notice is in the chamber at the moment—said, and I agree, that such a ban is anti small business and violates the rights of employers and employees to negotiate individual terms of contract.

The councillors received advice that this motion would actually breach 10 laws. These laws include the Workplace Relations Act, the industrial relations act and the Trade Practices Act. It is so stupid that they had not considered that the ban would bring the council undone. You see, Mr Speaker, there is no telecommunications company that does not have Australian workplace agreements, so what would the council do for its telephone services? There are no banks which do not have Australian workplace agreements, so how would the council service its financial needs? We know that Newcastle council is in the dark, because all of the power supply companies have Australian workplace agreements. Just to make it even better, for the cars that the councillors drive around in, there are no motor vehicle fleet dealerships that do not have an Australian workplace agreement.

Up to August, since 1997, there have been over 725,000 AWAs put in place through the Office of the Employment Advocate. Mr Kyle Loades is the new President of the Hunter Business Chamber, and he is supported by Glenn Thornton, whom I met with in my office over this issue yesterday. They represent 1,200 companies in the Hunter, which have over 90,000 employees. This ill-considered, illegal, ill-informed decision would have the possibility of affecting all of those businesses. It would have the effect of driving up unemployment. The council’s calls for other councils to come on board and support this ban would also be an illegal act under the Australian industrial relations laws. Since 1997, this is the first we have ever heard of this motion.

I can understand Gary Kennedy, the head of the Newcastle Trades Hall Council, when he was quoted in the Newcastle Herald as saying that he applauded the decision the council is taking and that it has the support of the trades hall and other workers of the Hunter. I am sure that those 90,000 workers in those 1,200 businesses in the Hunter that the Hunter Business Chamber represents would not be happy with this decision. Who else supports this? Newcastle MP Sharon Grierson—and she is present in this chamber. She has been in the parliament now for quite a few years, but not once have we heard her calling for a ban on companies with AWAs. But the Herald reported that she supported such action. So, by virtue of her words reported in the Herald, she supports illegal actions.

The council has found out through legal advice that the resolution is illegal on 10
fronts. This has been widely reported in the papers in our area, and of course we all have serious concerns. I can understand the Labor councillors and the Greens councillors on the Newcastle council being ideologically driven. The one that confuses me is the Independent mayor, Councillor Tate, who said he wanted it recorded that he supported the motion, subject to knowing what was in the bill. But Councillor Tate, the mayor, also said that the council, businesses and unions had cooperated so that the Hunter had a very positive industrial image. This does not go a long way to supporting a positive industrial image. But we all know why he supported it. He has now been offered the endorsement of the right wing of the Labor Party to run against Bryce Gaudry in the state seat of Newcastle. (Time expired)

Migrant Resource Centre of Newcastle and Hunter Region

Ms GRIERSON (Newcastle) (4.50 pm)—I look forward to making a personal explanation next week. I always support the concerns of the community about the IR agenda of this government. But today I draw attention to a recent decision regarding the proposed delivery of Integrated Humanitarian Settlement Strategy services in the Hunter and Newcastle region. The IHSS applies to refugees and humanitarian entrants for the first three to six months after arrival in Australia when their needs are greatest.

Several years ago, DIMIA changed the tendering process in New South Wales and divided the contracts into three major service areas. This meant that it was no longer possible for the Migrant Resource Centre of Newcastle and Hunter Region to tender separately for services just in our region. The Newcastle MRC then negotiated a subcontract with one of the successful Sydney based organisations. This enabled the MRC to develop an effective local operation, delivering IHSS services in close partnership with all of the relevant local providers, church groups and community service organisations. The MRC’s local knowledge and local networks have been integral to the successful settlement of hundreds of refugees arriving in the Newcastle and Hunter region since 2002.

In 2004-05 alone, the MRC settled 206 visa 200 holders and nearly 100 visa 202 holders—the majority coming from Sudan and Liberia—into our area, linking them to essential services, finding suitable accommodation, orientating them to the Australian way of life and making them feel welcome and supported in the community. Last month, 33 Burundians with no experience of Western life at all arrived in one planeload, requiring intensive deployment of the resources of the MRC and local networks to ensure a successful and welcoming arrival.

Regrettably, the term of this current contract expires this month. I am advised that the MRC will no longer be involved in the provision of the IHSS in the Newcastle and Hunter region. That our local MRC, an outstanding local organisation with a proven track record, will no longer be involved in the provision of IHSS services in the region is particularly worrying.

DIMIA’s decision to divide the state of New South Wales into just three contract areas for the purpose of these tenders, with the Hunter region lumped in with northern Sydney, has proven to be especially problematic for our region. It means that local community based organisations, just like the MRC, are effectively excluded from bidding for work in their own right, in their own regions. Regional organisations such as Newcastle MRC simply do not have the capacity to deliver IHSS services into the Sydney metropolitan area, but they do have a track record and the trust of the community.
I understand that the successful tenderer for the northern metropolitan zone was a consortium comprising Australasian College of Languages—ACL—Resolve FM and Mission Australia. Up to now the core business of ACL, the lead party in this consortium, has been teaching English to migrants. Significantly, ACL is a Sydney based business with no operational experience or reputation in the Newcastle and Hunter region. I am advised that ACL intends to operate a ‘centralised model of service delivery’ that will see local IHSS services—which currently engage three full-time staff, a pool of eight bilingual casuals and more than 50 community volunteers working the equivalent of another 12 full-time positions—reduced to a single worker. It is impossible to imagine how this new model will be able to maintain, let alone improve on, the quality of existing IHSS services in the Newcastle and Hunter region.

The IHSS tender process has highlighted a number of worrying features. Firstly, if regional settlement is a priority for this government, greater care is needed to ensure that service infrastructure to support regional settlement is consolidated rather than fractured over time. Secondly, it would seem entirely appropriate for the DIMIA tender process to give due weight and recognition to the value of genuine partnerships with local community based organisations—organisations complete with local knowledge, local networks and those unique insights into ‘host’ communities. These are the organisations that have a genuine and indeed vested interest in the successful resettlement of refugees and migrants. Thirdly, it remains entirely unsatisfactory for Newcastle and the Hunter region to be incorporated into a zone which includes half of the Sydney area. Newcastle and the Hunter region have retained a community identity that is very distinct from Sydney’s. It makes no sense to insist that Newcastle be integrated into a Sydney metropolitan zone for the tender process.

Newcastle has the largest refugee settlement area outside of Sydney, yet no local organisation can stand alone in any bid for the provision of IHSS services while ever we remain part of a larger Sydney metropolitan zone. This situation not only defies logic but also disadvantages regional communities. With the new tenderer due to begin operations at the end of the month, I call on the government to guarantee that current and future refugees and humanitarian entrants will not experience a reduction in the quality or range of services in the Newcastle and Hunter region. I invite the new Minister for Citizenship and Multicultural Affairs to visit Newcastle to learn first-hand of the outstanding work of the MRC and its resettlement programs. (Time expired)

**Internet Technology**

Mr **TURNBULL** (Wentworth) (4.55 pm)—Every year the Australian government spends hundreds of millions of dollars sending paper communications to Australians. Many of them are lost, many of them are mislaid and many of them, perhaps most of them, are never read. But this does not apply just to the government. Banks and superannuation funds lose track of their customers all the time. Important financial information goes missing. Australians, particularly young Australians, are very mobile. The government no doubt finds it frustrating that it cannot more effectively use email to communicate with Australians. Those of us who try to manage our own email databases can empathise: Australians change their email address even more frequently than they change their physical, street address.

Over recent years we have seen the cost of bandwidth plummet. Broadband, if not yet ubiquitous, is certainly widespread. The cost
of storing data has dropped even more rapidly than the cost of transmitting it. So how do we harness these changes in technology to improve the efficiency and reliability of government communications with Australians?

For a relatively modest cost, and over time, starting with the young and e-savvy, the Australian government could offer to provide every Australian with an electronic mailbox or pigeonhole. This would be similar to an email account but it would be unique and permanent. The address might be something like: firstname.surname.dateofbirth@australia.org.au. No matter where you moved, or how often you changed your regular email address, that pigeonhole would always be yours. Because it is a virtual pigeonhole, it would be accessible from anywhere there is access to the internet, which nowadays is almost any place on earth. The government would send its correspondence to that address and, if you agreed, not send it to you by snail mail at all. You could nominate it as an electronic address to banks, super funds and employers. Over time it could become as common as a tax file number and a lot more useful.

A user should certainly be able to cause the electronic pigeonhole to forward documents to their own private email account. It should enable the user to reply to the mostly official organisations that have sent material to the electronic pigeonhole, should it be able to be used as a conventional email account to send and receive messages to and from ‘non-official’ addresses. On the one hand, it would be important that this electronic pigeonhole be kept spam free, and the best way to do that would be to limit the ability to send documents to it to official and approved senders, such as employers and financial institutions. On the other hand, there is no technical reason why a general send and receive facility could not be made available, but the government may want to charge an annual fee for that functionality.

The virtue of this electronic pigeonhole is that it would be permanent. You might change your email address every few months and your apartment every few years, but throughout your life this pigeonhole would be yours. You could go overseas for five years and access it as easily as you could at home. If you were not minded to do that, when you returned home you would know that your super fund information, banking and tax information would have been received there. Privacy issues would arise, of course, but they arise with all communications and with all systems of storing data, and can be dealt with in the same way.

Technology has been responsible for remarkable improvements in productivity and efficiency. I have been privileged to be involved in the internet industry for more than a decade, and have often reflected on the way in which the internet has so rapidly annihilated geography, totally changing the way we think of distance and place. What does distance mean in a world where, no matter where you are, you can read your local papers, listen to your local radio and speak over the internet to your family for virtually nothing? And where you can use email to write to your friends and family and receive messages from them for virtually nothing?

The internet has transformed our idea of geography and distance. Perhaps this suggestion is another way in which an innovative use of the internet can bridge the often too wide gulf between government and the people, which it was established to serve.

Bledisloe Cup

Mr JOHNSON (Ryan) (4.59 pm)—Brisbane Rugby fans will be aware that, earlier this week, Labor members of the Brisbane City Council reversed the decision and
commitment they had made in June, together with the Lord Mayor of Brisbane, Campbell Newman, to support the Australian Rugby Union’s efforts to bring a prized Bledisloe Cup Rugby match to Brisbane. The decision and commitment involved a sum of $250,000 from the Brisbane City Council, payable to the ARU, to assist the ARU to mitigate the financial impact.

The SPEAKER—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Mr Abbott to move—

That standing orders 31 (automatic adjournment of the House) and 33 (limit on business after 9.30 pm) be suspended for the sitting on Monday, 12 September 2005.

Mr Baird to move—

That this House:

(1) congratulates the Israeli government on its disengagement from the Gaza and parts of the Northern West Bank;

(2) recognises the ongoing conflict and unrest in the region;

(3) calls upon the Palestinian authority to collect arms and munitions from terror groups operating in the Gaza, such as Hamas; and

(4) urges continued United Nations assistance for the humanitarian and security situation.
STATEMENTS BY MEMBERS

Royal Hobart Hospital

Mr ADAMS (Lyons) (9.30 am)—I want to pay tribute to the Royal Hobart Hospital for the wonderful job it does in dealing with critical patients. I also wish to say the same about Launceston General Hospital. I have a friend in the Royal Hobart Hospital at the moment who had a sort of stroke in the middle of August and he is going through all sorts of complicated procedures to try to bring back his health. His wife has been with him every day and they are struggling through the long recovery period. However, his wife is an ex-nurse and knows what goes on in hospitals and she told me:

We are so unbelievably lucky in this country with the health care system we have in place. Neither my husband nor I will be billed a cent for anything that has or will be done for him throughout his stay in hospital. It seems such a pity that with all the skilled care available in this country governments somehow do not seem to be able to get the funding sorted out so that the public health system can run as it should. I am just as grateful that for the sort of event my husband has suffered, all stops are removed and the recovery of the emergency patient is facilitated. I just feel so sorry for all those folk waiting for so long for their new hips, knees, etcetera, as elective surgery seems to be the first casualty of our very strapped system. Nursing home patients are occupying much needed beds in the acute section ...

These observations, while she is facing all sorts of challenges herself, are very telling and reflect the thoughts of many who have the experienced the care of the royal. Despite what is going on around them, despite all the politics that are played on health, the royal continue to save lives by their constant and professional care. It is not the most modern hospital and there are a number of things that need to be done urgently, but the quality and the professionalism of the staff are unchallenged. I believe we have some of the best doctors and nurses anywhere working under trying conditions but getting on with the job.

It is important that we sort out this funding if Medicare is to be allowed to work properly, and that funds are channelled into health instead of propping up private health insurance companies. Our tax dollars should be spent on these sorts of health services, rather than advertising and putting the sale of the Telstra package together and the other expensive items that the federal government insists on. Perhaps we could encourage more doctors and nurses to work in our public system and help more people with less desperate but just as important health care needs.

The other telling thing about my friend’s comments is that there are still nursing home patients stuck in hospital care because there are not enough nursing home beds available. We must get the system working better. If the minister wants to change the funding, it should go wholly to the states, and allow them to allocate the necessary funds to the areas of need. Privatising health does not work. There is a lot of stress working in hospitals and there is not a lot of time these days for patient care—(Time expired)

Kambrya College

Mr WOOD (La Trobe) (9.33 am)—On Friday, 6 May I was honoured to be part of Kambrya College’s official opening. ‘Kambrya’ is a derivative of the word ‘kamberra’—
Aboriginal for ‘meeting place’. The concept of a school as a meeting place is a terrific foundation on which to develop a school. The opening of Kambrya has progressed over three stages, commencing in 2002. The federal government has contributed a total of $7.13 million to the construction of this campus. The enrolments have jumped from 97 students to 960 students since the beginning of January. The school was originally built to accommodate 1,100 students. However, the growth forecast estimate is of 1,800 students by 2008. I have no doubt that, now Kambrya has completed its construction, the number of enrolments and staff will continue to rise. This new school is essential for the local area as we need to cater for the expanding population of one of the fastest growing electorates in this country.

Kambrya is modelled on a system which is heavily focused on the development of both students and staff. This includes smaller size classrooms and team teaching—two teachers in a classroom. It also includes a great mentoring program, where teachers mentor students. Teachers call every one of their students’ families once a fortnight to touch base and keep the child’s parents in the loop, which is a fantastic initiative. Teachers mentor other teachers. New teachers have a mentor whom they work with for a year. This model is designed to incorporate lifelong learning for the community by engaging the development of staff and parents.

We were proud to have the Minister for Education, Science and Training, Dr Brendan Nelson, visit the school on 27 July this year. With his busy schedule, it was a great privilege to have him there. He was able to see the new campus, to which the federal government has contributed substantially, and to meet with teachers and students. The minister visited a workshop and an art class. Kambrya may be a new school, and a small school, but the school community will develop and grow over coming years. Principal Ian Mackenzie and Assistant Principal John Shaw took the opportunity to discuss with the minister the idea of introducing an international baccalaureate program for Kambrya students. They also discussed funding for upgrading the school’s facilities. As student enrolment numbers continue to climb, I am a great supporter of a capital works program.

I thank Principal Ian Mackenzie for his hospitality and great work for the school. I also thank John Shaw, the original planning committee and school captains Kyle Mayes and Priyeshia Naidu. In closing, I thank the staff, who have been doing a fantastic job providing the best facilities for Kambrya and its students.

Water Wise

Ms BURKE (Chisholm) (9.36 am)—Today I want to pay tribute to some great environmentalists in my electorate, the grade 3/4 students at Wattle Park Primary, who have emailed me about the most precious resource in Australia: water. Tim writes:

Dear Ms Burke

I am a 9 year old boy … Our subject right now is Water Wise, which means to be wise with water. Have you noticed that when you’re thinking you’re only going to have a 2 minute shower, but you end up having a 1 hour shower! This must stop. Drinking is more important than keeping YOURSELF clean. Having a 2 Minute shower saves lots of lives.

Tom writes:

Our topic this term is water wise.
Good, huh?
We want to keep our water clean and safe.
We have lots and lots of fun. We wish you were here.

Daniel writes:
3/4S have been studying water! We have gone on an excursion to Gardenes Creek to plant trees and clean up! We have made a rain gauge/plant in a bottle (evaporation).

Another student named Daniel writes:
I have an idea how to save water.
I reckon we should stop selling water bombs.
And put buckets outside when it's raining so we can save fresh water. So if anyone sees someone wasting water they will get caught with a find of $100 or go to jail for one month. I reckon this idea is good.

Will writes:
…this term we have been studying water. I have come up with a couple of suggestions for new laws. I think if anyone was caught littering they should be fined $1500. There should be litter traps on the stormwater drains. I recommend there should be cameras in the most littered places.

Cassie and Isabel write:
Our topic this term is WATERWISE. All the three fours have been to Gardner's Creek, and picked up paper and rubbish. We are going to have a clean up Wattle Park Day. We have made rain gauges for our homework. We have also designed litter traps, but have not made them, but plan to. We have checked taps in our house are not leaking. Do you mind doing something about littering? Thanks.

Jamie writes:
In this term we went to Gardiner's Creek and picked up rubbish. We also went to look for drains in our school. We are having a pick up rubbish Day on the 9th. We have been talking about saving water in class and I learnt that some people have to walk far for water that is not clean.

Andrew writes:
We have been on an excursion to Gardiner's Creek where we planted trees. We made litter traps, we also made rain gauges for our homework out of soft drink bottles and I got the most rainfall over two weeks. I’ve got a suggestion to keep Australia’s water clean. You could be fined $1,000 if you got caught putting rubbish into any oceans, lakes, creeks, dams or into the sea, and you could be fined $10,000 dollars if you got caught putting oil or petrol into the same locations.

Meg writes:
I am a bit concerned about keeping our water clean. In my grade we have been doing activities such as: Litter traps, rain gauges, and walking to Gardiner's Creek. I have a suggestion to keep our water clean. It is that if you are caught littering you will be finding $5000. Thanks.

Jason also sent me a letter. I think it is a tribute to the future generation that we have people of nine or 10 years of age who are so conscious about the environment.

Shepparton Football-Netball Club

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration) (9.39 am)—I wish to pay tribute to Victorian country football and netball. We are now in the season of finals and grand finals. There is an enormous amount of hard work behind the games. There are not only the players, some of whom are paid, but all the volunteers who help with things such as catering, ticket selling, changing the scores on the scoreboard and transporting the younger members. All of that is volunteer work. With the worst drought on record right across northern Victoria, but particularly in Murray, some of the grounds are rock hard, but the players play on. The tinge of green on some of the grounds is very welcome.
In particular, I want to talk about the Shepparton Football-Netball Club, the Bears, which just recently has achieved some fantastic individual results in the 2005 Goulburn Valley Football-Netball League’s best and fairest count. In the seniors, Matthew Byers won the Morrison medal; in the reserves, Glen Archer won the Abikhair medal; in the thirds, Jason Limbrick won the Pattison medal. As well, all three football teams and the four netball teams from the Shepparton Bears made the finals this year, which is a remarkable achievement. The reserves and thirds footballers and the B-grade and B-reserve grade netballers are still in the finals, and they will all be playing this weekend.

I congratulate the Shepparton Bears president, Gary Holland, and everyone involved with the club, for making it such a successful community organisation that mentors and sponsors young people who often have done it very hard through these times of one of the worst droughts on record. All clubs are under pressure as the costs of running a team each week continue to escalate. I am very proud to be the No. 1 ticket holder for the Shepparton Bears. It is a real honour.

I acknowledge the tireless efforts of the volunteers, who are often invisible to the crowds who arrive each Saturday or Sunday. Some of these volunteers have been helping this club for generations. Country football and netball clubs are often the heart of small country towns or larger regional centres. They keep people moving and exercising together and identifying with each other. If you do not win, it is all just part of the game; however, to those who have succeeded, we wish them all the best in the coming weekends.

Youth Suicide

Mr BEVIS (Brisbane) (9.41 pm)—Youth suicide is one of the most tragic issues in our society, and its occurrence is all too common. Sadly, and for far too long, youth suicide has been ignored by governments of all political persuasions. It is time that the parliament, including all members on both sides of the chamber, spoke up about this problem so that we can start to address this tragic situation. In my home state of Queensland the most recent figures, which are for 2003, indicate that 53 young men took their own lives. Overwhelmingly the problem affects more young men than young women. In 2003, nationally 250 young men and 39 women took their lives. Although I am happy to say that the number of women who have taken their lives in the last five years has reduced, the number of men who have taken their lives has not.

In Queensland, every week one person takes their life. In Australia, nationally, every working day one young man takes his life. The statistics indicate that, while we are sitting here and working in this place today, a young Australian male will take his life. That is tragic. We cannot allow the situation to continue, nor should we allow the parliament to ignore the issue. It is time that we had an open debate. We quite rightly take a great deal of interest in youth deaths on the roads; however, the statistics indicate that youth suicides number more than half the total deaths of young males in road accidents. The number of young men who take their lives is more than half of those who lose their lives on the road. Everyone talks about the incidence of road deaths; however, we ignore youth suicides, which particularly affect young men, and deaths from depression and other depressive illnesses. We need to do something to fix it.

I want to acknowledge the efforts of two organisations that are trying to combat this terrible problem, and I have to say that they have had little or no support from this parliament or any
other parliament. The OzHelp Foundation operates here in Canberra and is targeted to the apprentices and young men who work in the building industry. The foundation is funded by the Master Builders Association and the Construction, Forestry, Mining and Energy Union. The CFMEU, which is much maligned in this place on a regular basis by the government, and the Master Builders Association deserve great credit for the work they are doing to help young men in the building industry in the ACT.

I also want to acknowledge the work of good friends of mine, Kev and Tilly Brasch. I had the great honour of launching Tilly’s book No middle name, which recounted the life of her son, Riley, who took his life in tragic circumstances. It is a book that we should all read. Any parent who reads it and does not have a tear in their eye needs to have their heart checked. Youth suicide is a problem that all parliamentarians need to start talking about. We can no longer ignore the fact that one young man takes his life every working day of the year. That is a frightening statistic, and there is a human life and a family tragedy behind each statistic. We need to take action sooner rather than later. I urge all members to speak with their colleagues in their party room and elsewhere so we can start the work to correct this terrible tragedy. (Time expired)

Polio

Mr BILLSON (Dunkley—Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs) (9.44 am)—I congratulate and commend the member for Brisbane on his contribution and I share his concern about this blight on so many communities. Today I wish to speak about the post polio landscape. It is wonderful that no new cases of polio have emerged in this country for quite some time, but this is little consolation to those still suffering the results of epidemics of decades past. An estimated 80,000 Australians were directly affected up to 1956, including 5,000 from my state of Victoria. Arguably, people living with post polio symptoms represent one of the largest disability groups in our country. It is estimated that a minimum of 20,000 to 40,000 people in Australia had paralytic polio between the 1930s and the 1960s. Figures for the number of people infected with the virus are up to 100 times greater. Some say that between two million and four million people have been infected without having the paralytic level of symptoms.

Thousands of Australians are now experiencing what are known as the late effects of polio, or post polio syndrome. The late effects of polio are a set of unexpected, new symptoms occurring some 30 to 40 years after the initial infection. The late effects of polio are generally considered to be a second phase of polio. Some people will develop symptoms while others will not. Symptoms associated with late effects of polio, or post polio syndrome, are not necessarily related to age, and nor do all people who have had polio experience them. The most common symptoms include decreasing strength and endurance; pain in muscles and joints; difficulties in breathing, swallowing or speaking; and fatigue or an inability to remain alert.

As I mentioned, the cause of these symptoms is as yet unknown, but research suggests that there are a number of possibilities, of which the overuse of polio weakened muscles is the most common theory. There is now a need for a broader general assessment of the impact of post polio symptoms on our community and an early assessment of the risks and consequences of those symptoms so that early intervention, which is essential, can be undertaken.
and implemented. Early acknowledgment of new symptoms and referral to appropriate health professionals are extremely important.

In the limited time available, I will go through an example where a constituent in my region referred to a visit to a doctor. The doctor asked the person, ‘Have you got a club foot?’ ‘No,’ she said, ‘it was polio.’ The doctor asked, ‘When did you get it?’ She said, ‘In 1929,’ and the doctor said, ‘And your foot is still like that?’ That lack of knowledge of polio and its consequences caused this lady great concern. She yet again had to change doctors, trying to find a health professional with an understanding of post polio symptoms and of how to best treat and support her standard of living.

In Victoria alone it is estimated that there are hundreds of people suffering the late effects of polio who need new information on how to cope with their condition and who need additional support. The Polio Network Victoria has launched a campaign in a bid to raise awareness of the late effects of polio. We have an obligation to find out more about the polio curse and do more to support people with post polio syndrome. *(Time expired)*

**Ansett**

*Mr GEORGANAS* (Hindmarsh) *(9.47 am)—*It is nearly four years to the day since Ansett airlines collapsed. On the anniversary of the collapse, unfortunately many Ansett workers are still out of pocket and the latest advice from the administrators is that it is now expected that workers will receive between 20 and 25 per cent of what is still owed to them by the end of this year. Approximately $48 million is to be paid to the workers, with $40 million going to other creditors and $32 million to be paid back to the government.

While workers at Holden and Mitsubishi in South Australia have quite rightly received a substantial support package to ensure they are not left in the lurch, many former Ansett workers are still living with the effects of their unplanned redundancies. Adelaide Airport is smack bang in the middle of the electorate of Hindmarsh, and when Ansett went broke back in 2001 there were a number of workers living in my electorate. That was four years ago now, but the issue is still very much alive for those people who lost their jobs and entitlements back then.

I continue to speak with former Ansett workers about their ongoing concerns and the way in which the collapse of the company has affected their lives and their families’ lives. There were 16,000 Australian workers directly affected by the collapse of Ansett, and around 45,000 others who were in associated industries, such as catering, were also affected. Many of these workers had been with Ansett for decades. Their loyalty to the company could not be questioned. But in 2001 they felt as though no-one cared about the trying circumstances that they and their families were facing. People who have spoken to me worked hard for Ansett. They paid their superannuation contributions, they planned for their retirement and they never intended to go on the age pension. They had planned holidays for their retirement and they were budgeting for improvements to their homes.

All of these plans had to come to a grinding halt. Although many of these workers were highly skilled and experienced, it is not easy finding a job once you hit your 50s. As a result, many workers are now in lower paid jobs, working casually or have retired on incomes far lower than they had worked towards. The government was slow to respond to the needs of the workers, but eventually introduced the $10 ticket tax to help recoup workers entitlements. Even though the tax raised almost $300 million, workers are still out of pocket.
So that workers could be paid more quickly, the federal government loaned Ansett administrators some funds. I know that the minister would say that this was a well-considered and carefully negotiated agreement. However, for the former Ansett workers who speak to me, that makes no difference. They cannot understand why it is that some workers, such as those at Mitsubishi and Holden, seem to be properly supported—and rightly so—while they and their former colleagues have been left out in the cold. When I have raised this previously with the government, it has argued that an eight-week payout is a fair deal. But for workers who had been with Ansett for decades, an eight-week redundancy payout is an insult. If this is what people got from this government in 2001, I am afraid to imagine what workers can expect in the future, when our once world-class industrial relations system is ‘reformed’.

**John Coleman Statue**

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.52 am)—I rise to speak on the John Coleman statue, which is due to be unveiled in the town of Hastings in my electorate, two days before the grand final. In speaking about the statue, I wish to do three things. I wish to describe the project, thank the sponsors and thank the wonderful members of the Hastings’s Western Port John Coleman statue committee.

John Coleman was arguably the greatest AFL full-forward. He began his career playing for the Hastings Football Club. He topped the goal-kicking list twice in successive seasons before being recruited by Essendon. The Coleman Medal, for the AFL’s greatest goal kicker each year, is named after John Coleman. The town of Hastings is a town which has done it tough over the years. It is a great town with a great spirit. This town, through a committee of people, has decided to both honour John Coleman and his contribution to football—in particular to the development of identity in Hastings—and let young people in the town know of the aspirations, dreams, hopes and capacity for achievement which local people can aspire to and which they can achieve.

Against that background, there is a wonderful group of people who have sponsored the creation of this statue. It is a major project of over $100,000. Some of the sponsors include Don and Hilda Hodgins, the Hastings Club, local historian Vic Jeremiah, PG Speedie and Associates, Baywest Developments, Thompson Property Group, the Coleman family, Martin Chiminello and the Essendon Football Club, which has very generously agreed to purchase one of 10 marquettes which have helped fund this project. All these sponsors together have helped bring about this wonderful project—a three-metre high statue of one of John Coleman’s greatest marks. It will become a signature of the town of Hastings—a town which has been through a renaissance and has a tremendous spirit. It is a town in which unemployment has dropped and civic pride has grown. The new aquatic centre has played a significant part in this.

None of this would have happened without a tremendous committee of people, led by Peter McCullough, the local newsagent and member of the Western Port Chamber of Commerce; Jim McGrath from the Hastings Club; Councillor Brian Stahl from the Mornington Peninsula Shire Council; Rob McCarthy from Your Employment Solutions; and Vic Jeremiah, the historian and author of the book, *The Great Coleman*. All these people together have worked tirelessly, together with Katrina Flannery from my office, to help bring about the creation of the statue—an inspired project, an inspiration to local people and a wonderful outcome for this town. I am delighted to commend all of those involved. *(Time expired)*
Dr LAWRENCE (Fremantle) (9.54 am)—I want to draw to the attention of the Main Committee and the House the start of the third National Conference on Human Rights and Mental Health, which is being held today at Parliament House in the theatrette—for those who may be interested in attending. It covers a range of issues related to the whole question of human rights and the consequences of breaches of human rights for mental health. Subjects that will be covered during the conference include the policy and politics of mental health and human rights. Speakers will include a number of parliamentarians; Mr Steve Mark, the Chairman of the Australian section of the International Commission of Jurists; and Dr Sev Ozdowski, who of course is well known for his position as Human Rights Commissioner.

It will also be discussing the state of Indigenous mental health. Linda Burney, who is the first Indigenous member of parliament in New South Wales, will speak on that subject along with a number of others. Community concerns and mental health and human rights will also be discussed. Speakers there include Bishop Patrick Power and the Reverend Bill Crews, to name but a couple. It is very comprehensive conference—it includes an examination of torture in the present day. We may in some ways expect that we are free of this, but we have a great many victims of torture and trauma in Australia—refugees from various appalling circumstances. Speakers there will include Katie Wood, the human rights and security campaigner for Amnesty International.

There will also be discussion of human trafficking and slavery in Australia. As we know, recently there has been a lot of publicity surrounding the trafficking particularly of women into prostitution in Australia. Jill Rowe from Trafficking Victim Support will speak, along with others. There will also be discussion of mental illness in the prison system and the consequences particularly for women. Debbie Kilroy, Director of Sisters Inside, will have a part in that discussion. There will also be coverage of mental health, the legal system and industrial relations.

I think this conference is a very important one because it will focus on the conjunction of two subjects that do not receive nearly enough careful and sustained attention in our country—indeed, anywhere. On the human rights front, this is partly because there is a great reluctance to countenance the possibility that Australia is not at times the paragon of human rights compliance. Yet no nation and no government can afford to be complacent about human rights. Without constant vigilance by the community, governments can encroach on those rights that form the buffer between the individual and the state. Such encroachments can occur sometimes by inadvertence as well as by maladministration, as we have seen recently, particularly in the case of people who have been held in Baxter. It would probably be true that any government that makes a habit of saying, ‘We don’t have a human rights problem,’ has a human rights problem because they are overlooking some of these questions. Of course, mental health has long been the poor relation. I commend members to this very important conference that is taking place here in Parliament House. Even if members are not able to attend, I do recommend that they follow up the papers that will be produced as a result of this very important conference. (Time expired)

Mr SLIPPER (Fisher) (9.57 am)—Today I want to draw the attention of the Main Committee to the existence of a somewhat ignored group of people in our society—I refer to
grandparents who care for their grandchildren. Right throughout the nation we have many grandparents who are now primary carers for their grandchildren. They are mostly ordinary Australians—the majority of them are at or nearing retirement age—and for various reasons they now find themselves with the principal caring responsibilities for their grandchildren. In many cases this is at a stage in their life when they had expected to maybe take things a little easier; maybe they had expected to be able to go on a few more holidays; maybe they had expected to be able to, in effect, sit back and take a reward for their contribution towards making our nation the wonderful country that it is.

In many cases where we see grandparents taking on these primary caring responsibilities, the parents of the children are unable to care for them: some may have drug problems, while others may have passed away prematurely and grandparents have willingly taken on these responsibilities. I know in my own electorate we have many of these wonderful people. Their lives are not easy. Right throughout the nation I believe that we have large numbers of people who have taken on the responsibility of raising their own flesh and blood in this way. None of these people have any objection at all to looking after their grandchildren, but the decisions they make to look after their grandchildren often bring to them a substantial financial cost. It is commonly known that raising young children is costly. They eat a lot, they regularly grow out of their shoes and clothes and they require schoolbooks and uniforms and school shoes. They also like to attend social events with their friends. But for many grandparents these extras are simply unaffordable.

Grandparents in Queensland who are the sole carers for their grandchildren regretfully get no recognition nor do they get any assistance from the Labor government. These grandparents offer a high level of love and support to their grandchild because the child is their own flesh and blood and yet they get no form of foster carer benefit from the Queensland government. It really is important that the state government looks at this matter. The Independent state member for Nicklin on the Sunshine Coast, Mr Wellington, has introduced a private member’s bill, the Child Protection (Recognition of Relative Carers) Amendment Bill 2005. This is a really important bill. I believe that it is vital that this legislation pass through the Queensland parliament so that grandparents are able to be recognised for the very important ongoing role that they play in our community in raising their grandchildren to become responsible citizens.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with standing order 193 the time for members’ statements has concluded.

POSTAL INDUSTRY OMBUDSMAN BILL 2005

Debate resumed from 9 March.

Second Reading

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.00 am)—I move:

That this bill be now read a second time.

The Postal Industry Ombudsman Bill 2005 (the bill) implements a government election commitment to establish a dedicated Postal Industry Ombudsman (PIO).

Unlike a number of overseas postal administrations, Australia does not yet have a dedicated PIO. As a result, consumers do not have a recognisable, dedicated and independent entity to deal with their complaints about the provision of postal services.
The bill will address this situation by inserting a new part into the Ombudsman Act 1976 to establish the PIO as a separate office within the office of the Commonwealth Ombudsman.

The Commonwealth Ombudsman currently has the authority to investigate actions taken by Australia Post and to recommend that it take appropriate action. However, the Commonwealth Ombudsman does not have a high profile with regard to postal complaints, and many consumers may be unaware of the Ombudsman’s role with regard to Australia Post. In addition, the Ombudsman does not currently have the authority to investigate complaints relating to postal operators other than Australia Post, which are instead investigated by relevant state and territory offices of fair trading.

To address these issues, the bill will establish the PIO as a high-profile office that will be responsible for investigating actions taken by Australia Post in relation to the provision of postal services. The PIO will also be able to investigate actions taken by private postal operators (PPOs) who are required to be registered or choose to register with the scheme.

For PPOs who ‘opt-in’ to the scheme, registration may be attractive because it could be presented as a benefit to customers using their services. It may therefore provide a marketing advantage over their competitors. The PIO will also serve as a final arbiter for the resolution of difficult disputes, which will be of benefit both to postal service providers and their consumers. Any operators who choose not to register will remain subject to the authority of state and territory offices of fair trading.

In many respects, the PIO will be provided with similar powers to the Commonwealth Ombudsman. For example, the PIO will be able to require a person to provide information in writing or to attend before the PIO to answer questions. The PIO will also be required to provide procedural fairness to Australia Post, registered PPOs and their employees in the investigation of any actions they have taken.

However, whereas the Commonwealth Ombudsman’s powers are tailored to the investigation of public sector administrative actions, the PIO’s powers will be customised for the investigation of service delivery complaints in relation to both Australia Post and PPOs. Moreover, as the PIO will have jurisdiction over non-government entities including those which have voluntarily registered with the PIO, the PIO will not have certain powers that are considered unnecessary or which would act as a deterrent to registering with the scheme. For example, it was not considered appropriate to provide the PIO with the power to enter premises or to override a person’s claim to legal professional privilege.

Due to these differences, the PIO’s powers will complement rather than replace the Commonwealth Ombudsman’s existing powers to investigate action taken by Australia Post. The Commonwealth Ombudsman will retain existing powers to investigate actions by Australia Post and will use these powers primarily to investigate actions that are not related to the provision of postal services. Examples of these types of action are the handling of requests under the Freedom of Information Act 1982 or the handling of pre-employment matters or employee compensation.

Complaint transfer provisions in the bill will mean that complaints can be transferred from the PIO to the Commonwealth Ombudsman, and visa versa. These will mean that most, if not all, service delivery complaints against Australia Post will be dealt with by the PIO in a similar way to those against any other postal operator but, where it is more appropriate to do so,
complaints against Australia Post can still be dealt with by the Commonwealth Ombudsman. This will ensure that the full powers currently available for the investigation of actions taken by Australia Post will remain available.

The PIO will also have the discretion to transfer an investigation to another statutory office holder, if it is considered that it could be more conveniently or effectively dealt with by that statutory office holder. In combination, these transfer measures will ensure that complaints are handled by the ombudsman or statutory office holder with the most appropriate functions and duties to deal with them.

Some provisions in the bill have been drafted differently from provisions in the current Ombudsman Act, even though they cover similar matters. This has been done to modernise the drafting style and to address other drafting issues, some of which may be considered during the current review of the act. For example, the current act separates the ombudsman’s investigative powers in relation to preliminary inquiries from his or her other investigative powers. However, in practice the division of these powers is not reflective of the administrative practices of the ombudsman. They are, therefore, combined in the new part.

The bill provides that a register of registered PPOs be maintained for administrative purposes and for public information. The bill provides that PPOs other than Australia Post apply in writing to the PIO to be registered, and are taken to be registered once the PIO includes them on the register.

The PPOs, including those which are required to be registered, may apply in writing to deregister from the scheme. However, the PIO will still be able to investigate a complaint about a PPO who has decided to deregister, so long as the action was taken while they were registered and the complaint is received within 12 months of the action complained of. This provision is intended to discourage PPOs from deregistering simply to avoid having particular actions investigated.

The bill provides that the cost of the PIO will be recovered from Australia Post and registered PPOs, and will be based on the cost of conducting investigations into complaints made about them. The details of the cost recovery mechanism will be prescribed in regulations.

The bill, as amended by the Senate, requires PPOs with more than 20 employees and a turnover of more than $1 million to register with the PIO. The government indicates to the House that it disagrees with the Senate amendment to the bill and will move an amendment removing it from the bill. I commend the bill to the House. I present the revised explanatory memorandum.

Mr RIPOLL (Oxley) (10.08 am)—Contrary to the regular government diatribe we hear about Labor’s opposition for opposition’s sake and not supporting bills, we are always prepared and determined to come into this House and support good bills, as in this case. Labor supports the Postal Industry Ombudsman Bill 2005, which establishes the Postal Industry Ombudsman to investigate complaints against Australia Post and other postal operators. This bill inserts a new part into the Ombudsman Act 1976, which will establish the Postal Industry Ombudsman as a separate office within the Commonwealth Ombudsman’s office. The PIO will have jurisdiction to investigate complaints relating to the provision of postal services by Australia Post and other registered private operators. Following a Labor amendment passed in the Senate, large private postal operators are also required to register with the scheme, thereby
increasing the effectiveness of the PIO. The bill defines postal services broadly to include
courier services and parcel services. The ombudsman is not limited to act on the basis of
complaints but, on his or her own initiative, can investigate Australia Post or a registered pri-
ivate postal operator in relation to the provision of postal or similar services.

The ombudsman will also have the capacity to investigate a wide range of complaints from
consumers and small business. The PIO will also provide a means for post office licensees,
mail contractors and postal agents to resolve disputes with Australia Post. The ombudsman is
not authorised to investigate complaints made by a postal operator against one of its competi-
tors in the industry. The range of powers available to the PIO will be similar in scope to those
of the Commonwealth Ombudsman. The PIO will be able to require the production of written
information and require people to appear before the PIO to answer questions. The PIO will
not have some of the Commonwealth Ombudsman’s stronger powers, such as the power to
enter premises or to override a person’s claims that documents are protected by legal profes-
sional privilege. The government’s view is that these stronger powers may act as a deterrent to
private postal operators joining up to the scheme.

Following an investigation, if the PIO believes that Australia Post or a registered private
postal operator has breached the law, has been unreasonable, unjust or oppressive or has oth-
ewise acted wrongly, it may recommend that the postal operator take remedial action. This
may include steps to mitigate or rectify the effects of the action or to alter the policies or prac-
tices which caused the conduct under examination. In the event that the postal operator de-
clines to take appropriate action following the PIO’s advice, the PIO may request the Minister
for Communications, Information Technology and the Arts to table in parliament a report de-
tailing its findings.

The PIO will operate on a cost-recovery basis whereby Australia Post and registered pri-
ivate operators are charged for the cost of conducting investigations related to them. The de-
tails of the cost-recovery mechanism will be prescribed in regulations. At this point it is esti-
mated that the operation of the PIO will cost around $300,000 per year.

The opposition welcomes the fact that the government has finally seen fit to bring this leg-
islation on for debate. This bill has finally made it into the House, nearly 10 months after it
was introduced into the Senate last November. The House should also note that the govern-
ment first promised this reform in the run-up to the 2001 election. That is an indication of the
priority that has been given to improving postal services over the nine long years of this gov-
ernment in office. Unfortunately, after all the time between when it was first announced and
the introduction of this bill, the government still has not delivered a postal ombudsman with
the powers needed to do the job fully.

Back in 2001, the government promised to establish a dedicated postal industry ombuds-
man who would operate in a similar fashion to the Telecommunications Industry Ombudsman
in assisting customers who have not been able to resolve satisfactorily disputes with postal
operators. Regrettably, this legislation does not create a postal ombudsman based on the
model provided by the Telecommunications Industry Ombudsman scheme or TIO, as it is
known. The TIO has been operating successfully since 1993 as a free and independent dispute
scheme for people who have a complaint about their telephone or internet service—and there
are plenty. When it comes to telephone and internet services, there is no doubt—and I have
spoken at length and in fact at every opportunity on these issues in the House with regard to
Telstra and telephone and internet services—that Telstra has, as we discovered this week, a huge number of complaints and faults on its books. Of course, as we have heard this week, this is no coincidence.

I would like to briefly detail some of the ways in which this legislation falls short of the TIO benchmark that was laid down by the government in 2001. These differences have the potential to substantially undermine the effectiveness of the PIO in resolving complaints from users of postal services. Firstly, the TIO is a dedicated, stand-alone entity. The Telecommunications Industry Ombudsman does not have responsibility for performing other regulatory roles for the Commonwealth. In contrast, the Postal Industry Ombudsman will be an office within the office of the Commonwealth Ombudsman.

Under proposed section 19L, which will be inserted by this bill, the office of the postal ombudsman will be held by the same person who occupies the office of the Commonwealth Ombudsman. There are undoubtedly many dedicated and skilled staff in the Office of the Commonwealth Ombudsman. Nevertheless, the fact that the person filling the position of postal ombudsman will not have a dedicated focus on postal issues means that the role will not be given the full attention that it deserves. Labor do not believe that the PIO should be a part-time job. We believe that this is an important role and that there should be a stand-alone person responsible for these activities. If the government were serious not only about this bill but also about postal services and a decent postal ombudsman, they would move in that direction. In order to bring the office to public attention and inspire community confidence, Labor believe that a full-time appointment is required.

Another major distinction between the Telecommunications Industry Ombudsman and the postal ombudsman proposed by the government is the extent to which the scheme covers participants in the industry. Under the Telecommunications (Consumer Protection and Service Standards) Act 1999, all carriers and carriage service providers are required to join the TIO scheme. In contrast, under the government’s plan, the PIO will have the capacity to deal only with complaints against Australia Post and private postal operators who choose to join the scheme. Labor remedied this defect when the bill was debated in the Senate. The bill that we are considering today now provides that any private postal operator with 20 or more employees or a company with a turnover of more than $1 million would be required to join the PIO scheme. Unfortunately, I understand that the government has decided to delete Labor’s amendment from the bill. Perhaps when government members speak on this bill, they can explain to the community why that is the case—why such an important part of this bill will be taken out by the government.

This is a very disappointing outcome for consumers of postal services offered by private operators. Those consumers will be forced to use state fair trading agencies rather than a dedicated ombudsman to resolve their complaints. The government’s principal argument against extending the scheme to cover large private operators seems to be that complaints against such companies are rare. Even if that is the case, it does not mean that complaints do not happen and that those services are not required, and it should not be excluded from being part of the bill. Again, I put on record that the government needs to put forward a better explanation to the community. Simply saying that just because it does not happen very often means that it is okay and not to worry about it is not good enough. I get some nods from the other side, and
I appreciate that; I agree with them also. They say that there have been only 37 complaints recorded against—

Mr Georgiou—No, you’ll get an answer.

Mr RIPOLL—Through the deputy chair: I will be even more appreciative of an answer, when it is the member’s turn to speak. But 37 complaints are still complaints and they can be of a quite serious nature. It is hard for consumers to complain when they do not have a dedicated agency to go to which deals with such matters.

Putting aside this point, the fact is that the extension of the PIO to cover large postal operators would impose no significant impact on their businesses. As I mentioned earlier, the PIO will operate on a cost-recovery basis whereby postal operators are charged only for the cost of conducting investigations relating to them. If a private company receives no complaints, it will not be burdened at all by being subject to the PIO.

It is not possible to imagine that a government would put forward a proposal for a telecommunications ombudsman that required only Telstra to join the scheme and said to players like Optus, Vodafone and others that they could join the scheme if they wanted to. With what we have seen over recent weeks of the attitude of Telstra executives toward customer service levels, service provision and investment in infrastructure—and, in fact, even the government’s attitude towards these things—it is just not good enough to make this an opt-in type of scheme. Again, I would be interested to hear directly from the government as to their rationale behind this particular mechanism they have put in place. Unfortunately, that is what the government are doing in postal services. I urge the government not only to explain but to reconsider the merits of Labor’s amendment to broaden the scope of the scheme.

There is no doubt that Australia Post is still the dominant provider of postal services in this country and a fine provider of those postal services. In order to fund its community service obligations, legislation gives Australia Post exclusive rights in relation to the delivery of letters weighing less than 250 grams. Labor remains absolutely committed to keeping Australia Post in public ownership to ensure that all Australians receive decent postal services, fair postal services—postal services that could not be provided by any other provider. You just cannot help but draw a link between what this bill does, Labor’s commitment to keeping Australia Post in public ownership, and the revelations this week about the Prime Minister’s rationale regarding the full sale of Telstra in terms of government ownership, government regulation and the government entity being the possible funding body as well.

I think it will become very obvious to people that the government now has a hit list for privatisation. Telstra is well known. Australia Post has been an issue for the community and certainly for Labor, and Labor has campaigned specifically on postal services to keep Australia Post in public ownership, in government hands, because of just how important that is. But, given what the Prime Minister has said this week—that he sees no reason for the government to remain the major shareholder of Telstra, on the basis that the government is the regulator as well as the possible source of funds—

Mr Slipper—Mr Speaker, I rise because I understand that, under the standing orders of this chamber, I am able to ask the member opposite a question, and he of course has the opportunity of answering it or not. I wish to ask him a question.
The DEPUTY SPEAKER (Hon. IR Causley)—Does the member for Oxley agree to an intervention?

Mr RIPOLL—I agree.

Mr Slipper—My understanding is that there are no plans to sell Australia Post. But would the member for Oxley please advise the chamber what countries have, indeed, privatised their postal services.

Mr RIPOLL—I will take the question. I do not have a list in front of me of all those countries that the member is asking me about. I am sure he can make a phone call to the Parliamentary Library and find out just as well as I could or anyone else could. I think your question is slightly irrelevant, to say the least.

The key point that I am making about postal services in relation to this bill is that the government says it has a commitment to keeping Australia Post in public ownership, but, given what the Prime Minister has said this week, I am very concerned about it. I am of the view that the government is now by stealth moving in a direction whereby, if it uses the same principles that it is applying to Telstra, Australia Post could be next on the hit list. That is my concern. If the rationale given by the Prime Minister just yesterday in question time in the House of Representatives is used on Australia Post, then we are all in a lot of trouble.

I understand there are some different political imperatives when it comes to Australia Post, but I do not see those principles being much different when it comes to Telstra. Labor, unlike the government, stands firm on its commitment on Telstra, as it does on Australia Post. If anything, what this demonstrates—and what the government particularly demonstrated this week—is the government’s desire not only to flog off the rest of Telstra but to start moving in the direction of other government-owned corporations such as Australia Post, based on the government’s new principles, new rationale, new explanation, as to why it must sell its majority shareholding in Telstra. That is a concern to me, and I know it is a concern to the community. Labor in the past, as I have said, have campaigned to protect Australia Post and keep it in public ownership, and we will continue to do that in the future. The community can rest assured that it will be Labor that will stand up for them on these issues, regardless of the numbers and the control that the government has in both houses of parliament.

While Australia Post has the central role in our postal services industry, it does face a substantial amount of competition in relation to other postal services. In 2003-04, Australia Post reserved services accounted for only 45 per cent of its revenue, down from 51 per cent six years earlier. Since the mid-1990s, Australia Post has begun to face tough competition in parcel carrier and express mail services. Companies like Toll Holdings, DHL, UPS, Allied Express, TNT and the Australian Document Exchange are significant players in this market.

Again, Mr Deputy Speaker, you just cannot help but draw analogies and similarities between what is happening in the commercial world to Australia Post and its ability to survive and even thrive in specific areas, and what is happening to Telstra. You just cannot help but draw those analogies, because they are so stark. Regardless of what government members will say in this place, I think the community and ordinary people out there understand it perfectly well. The community understands how essential postal services are, particularly with ordinary mail—just like the essential service of an ordinary phone line. The similarities are there. Many years ago phone lines and postal services might have been a luxury. Today they may be
a luxury for some but they are also an essential service which can mean life and death for many people.

Given the growing size of private operators providing postal services, Labor believes that the ombudsman must have the capacity to have oversight of all the major players in the market. While it is to be hoped that many private operators would sign up to the scheme as a way of instilling consumer confidence in their service, the parliament should not leave this matter to chance.

I would like to highlight a final point of difference between the PIO and the TIO. The Postal Industry Ombudsman will have no power to order postal operators to compensate consumers where those postal operators have engaged in wrongful conduct. The Telecommunications Industry Ombudsman has the authority to issue orders compensating consumers up to the value of $10,000. This is a step in the right direction in terms of looking after the interests of wronged consumers. There is a link between this and what happens with essential telecommunications services provided by Telstra. We often hear how people in small business have been wronged in that they have not been able to get a line connection or maintenance and repairs or even, for that matter, access to broadband technology. These determinations are binding on all licensed telecommunications carriers.

In contrast, under this bill, where the PIO finds that a postal operator has engaged in wrongful conduct the PIO may ask the postal service provider to take action to mitigate or rectify the effect of that conduct but, if satisfactory action is not taken, the PIO’s only recourse is to request that the minister table the complaint or report in parliament. While that may be some recourse—one might feel better about it—it certainly would not make the consumer feel much better. The government needs to not only explain this decision but review it and maybe change direction on this. To do so would be a good policy direction. It would certainly improve this bill.

Adverse reports tabled in parliament would undoubtedly act as a deterrent to Australia Post and registered postal operators from acting wrongfully. Nevertheless, this bill does not provide much in the way of meaningful redress for individual consumers. Labor has given detailed consideration to the option of amending the bill to address this deficiency. On balance, however, the opposition has decided against this course of action. Labor recognises that empowering the PIO to make orders compensating consumers is a difficult drafting exercise, given the way the PIO is structured under this bill. Labor is particularly mindful that care must be taken to ensure that the PIO is not given judicial powers in breach of the Constitution. Over the next few years, Labor will be closely monitoring both the government and the operation of the scheme. In government, Labor would review the adequacy of the Postal Industry Ombudsman’s powers and restructure the scheme to provide for compensation orders if necessary.

Despite the deficiencies in the government’s approach, the proposed PIO is a step forward for consumers and will be supported by the opposition, as I made clear at the outset of my speech. There is a clear need for the establishment of an independent body to assist users of postal services to resolve disputes without the need to resort to costly litigation which denies consumers a viable remedy. This bill does represent a step forward for the users of mail services and will be supported by the opposition.
Mr SLIPPER (Fisher) (10.29 am)—What an interesting contribution to the Postal Industry Ombudsman Bill 2005 by the honourable member for Oxley. His voice seemed to rise and fall. On many occasions I thought he was about to sit down, and then he got another breath, a gust of wind, and on he proceeded. The government is pleased that he is supporting the Postal Industry Ombudsman Bill 2005. At the outset, though, I just want to once and for all put to bed the suggestion made by the member for Oxley that the government was looking at selling Australia Post. In fact it is my view that the Prime Minister has specifically ruled out that course of action. Any suggestion that the opposition continues to make with respect to the possible sale of Australia Post simply is a furphy. It is misleading and distracts people from the real issues, and I do not believe the opposition is doing the community a service. In Australia we ought to be talking about issues of contention, and when the government has ruled out a course of action—

Ms Hall—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the member for Fisher willing to give way?

Mr SLIPPER—Yes.

Ms Hall—My question to the member for Fisher relates to the statement he just made about the government’s commitment not to sell Australia Post. I ask the member for Fisher: firstly, what evidence is there for that statement; and, secondly, is there a rock solid, ironclad guarantee?

Mr SLIPPER—I thank the member for her question. I am pleased to be given the opportunity to respond. I think interventions are a really good initiative in our standing orders, because they make this chamber more interactive. While you do not know what question is coming, I think it is important to engage in the debate. The Prime Minister has said absolutely that Australia Post will not be sold, and because the Prime Minister has made that statement and the Prime Minister is a man of his word I would expect that that is in fact a rock solid pledge—unlike the pledge made by the Labor Party when they were in office. Before the election they said that they were not going to sell the Commonwealth Bank or Qantas, and then after they got in they sold those two bodies. This government takes great pride in keeping its word. The Prime Minister has said that Australia Post will not be sold. That is good enough for me, and I believe it is good enough for the Australian people.

As I was saying, it is heartening to see that the member for Oxley and his colleagues are in fact supporting the Postal Industry Ombudsman Bill 2005, because in Australia in 2005 it really is important that members of the public who have an unresolved complaint with a public utility have the option of reporting the complaint for investigation by an ombudsman. In a democratic society it is important that public utilities and government departments are in fact held accountable.

The Telecommunications Industry Ombudsman investigates concerns within the communications sector. In 2003-04 that ombudsman investigated just under 60,000 complaints. It is an important function, because it provides an unbiased, neutral umpire to look seriously into an unresolved complaint. The Telecommunications Industry Ombudsman is a stand-alone, private company funded by fees charged to member organisations for its complaint resolution services.
The Postal Industry Ombudsman Bill 2005 aims to introduce a similar service to deal with disputes with Australia Post and private postal operators. The establishment of a postal ombudsman was one of the government’s 2001 election promises, and I am very pleased to be advocating in the parliament that the parliament adopt this election promise and support the government’s wish to keep faith with the Australian people in this way.

As is the case with the Telecommunications Industry Ombudsman, the Postal Industry Ombudsman will work independently of any government influence, and that is entirely appropriate. The body will be dedicated to assisting private consumers and small business operators to resolve disputes over postage, whether they be with the major postage organisation, Australia Post, or with one of the many smaller providers. The Postal Industry Ombudsman will aim to address concerns quickly and fairly.

One notable difference with the new Postal Industry Ombudsman, compared with the Telecommunications Industry Ombudsman, is that the office will not be established as a stand-alone body; it will become a new office within the office of the Commonwealth Ombudsman. The reason for this is simple and sensible. Latest figures show that Australia Post must be providing a fairly high level of service and that people must be satisfied substantially with the service given by Australia Post, because there are only about 1,000 complaints each year with respect to the delivery of postal services. On top of that, private delivery firms are the subject of about 37 complaints. That is a total of 1,037 complaints for postal organisations, compared with the figures I mentioned earlier with respect to the telecommunications industry of about 60,000 complaints. It could be described as unnecessary overkill to establish a stand-alone complaints body for such a relatively few number of complaints.

At the present time, there is no nationwide office for investigating complaints against postal organisations, and any concerns are handled by the fair trading office of each state. By establishing the postal ombudsman’s office, the Postal Industry Ombudsman Bill 2005 will bring in a common complaints-handling procedure for all states. I think most honourable members would agree that that is an appropriate course of action. Australia Post wants to be accountable as well, and it also supports the establishment of the office. Australia Post can see the benefit of having an independent body to investigate unresolved complaints.

The government wants to make sure that public concerns about service providers are given optimum chances for fair and expeditious resolution. By the establishment of the office of the postal ombudsman, members of the public will not need to be concerned about the unfair handling of their complaints as a dedicated office will be investigating them. This is an important delivery of an election commitment, and I commend the bill to the chamber.

Mr PRICE (Chifley) (10.36 am)—I am very pleased that the chairman of the House of Representatives Standing Committee on Agriculture, Fisheries and Forestry is in the chamber today. Although he does not have specific responsibility for regional matters, I know that he and his committee are always looking at the impact of policy as it applies to rural and regional Australia, and I think this is one of those issues.

The industry type ombudsman first started with the banking ombudsman, and I have always had some difficulty with that office for two reasons. One reason is that the people who supply the money—that is, the banks—are also the ones who provide direction to the ombudsman. This will not apply in this case. The other reason is that we do not tend, as a routine matter, to call the various ombudsmen before the House parliamentary committees to report

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on their progress and any difficulties. Our current Ombudsman who looks at Commonwealth
matters, who in fact will be the Postal Industry Ombudsman, from time to time has reported to
the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, De-
defence and Trade. I think that is a good thing, but I am arguing that there should be a role for
this new ombudsman, the Postal Industry Ombudsman, to report to the House of Represen-
tatives Standing Committee on Transport and Regional Services. If this does not happen, there
will not be proper parliamentary scrutiny of that office.

I said that I had two objections. From time to time, industry ombudsmen, in my view—and
it may be mine alone, but I hope not—breach privilege of this parliament. I do hope that at
some point the Privileges Committee will take this matter up. Whether a constituent ap-
proaches a backbench member of the government or a backbench member of the opposition,
these ombudsmen demand a release from the constituent so that they are able to represent
them in the matter being progressed. I have always taken a very dim view of that and have
tried as much as I can to resist it. I think one of the great features of our democracy and our
parliament is that any citizen, high or low, has the right to approach their local member of
parliament and, without fear or favour, that member of parliament will represent them and
their interest to the best of their ability. As I say, I take a very serious view of this and I be-
lieve it to be a breach of privilege for these ombudsmen to seek such a release from a con-
stituent to exercise what I believe is their undeniable right. The Postal Industry Ombudsman Bill 2005 does not address that, and perhaps as I have suggested it is
the Privileges Committee that needs to take this issue up once and for all.

We have difficulty with our Commonwealth Ombudsman, whose role remains unchanged
in postal matters—that is, that increasingly, as the Ombudsman’s office have reported from
time to time, they are prevented from exercising their proper responsibility in trying to get to
the bottom of complaints by the fact that services are often outsourced. The Ombudsman con-
siders that his office should have the ability to trace the complaint not only with Common-
wealth owned services which are directly run and supplied by the Commonwealth but with
any service that happens to be outsourced. This is a great weakness in the current system and
it diminishes the effectiveness of the Ombudsman. I am sad to report that there is no commit-
tee of the parliament that has taken this issue up.

As this legislation inevitably will go through, again I would hope that this would be of in-
terest and in no way do I wish to demean the honourable member for Hume to his committee
and in particular to the Standing Committee on Transport and Regional Services, one of the
committees to which this new ombudsman, the Postal Industry Ombudsman—who is also the
old Ombudsman—needs to report about the exercise of their function. The Labor Party previ-
ously, quite rightly, has pointed out some of the limitations of this bill that sets up the Postal
Industry Ombudsman. The principal weakness is that the Postal Industry Ombudsman does
not have the same powers as the Commonwealth Ombudsman, should he be investigating the
same matter. In fact, there is a degree of overlapping. I have to say that I do not like it in that
one ombudsman can commence a complaint, but it does not prevent the other ombudsman
from investigating the same matter. Indeed, complaints can be transferred between the two
within a 12-month period.

In relation to private providers, we would think that when we go back to our electorates we
can proudly say: ‘You have a new avenue of redress for your complaints. If I go in to bat with
you for Australia Post and we get nowhere, and we still believe you have been denied a proper service or are disadvantaged, then we can refer the matter to the Postal Industry Ombudsman. But only those private providers who have chosen or elected to be part of this scheme will come under the jurisdiction of the office. I am a bit shonky—

Mr Georgiou interjecting—

Mr PRICE—As my friend the member for Kooyong has so ungraciously suggested, I am occasionally. I could elect, as a company, to wear whatever public criticism may come my way, but I could continue to operate while unaccountable to anyone. I think this is wrong. You have to have an all-in system. If government members can sustain an argument that 100 per cent of these providers are going to opt in, that is fair enough, but as soon as you have one opting out, the system is flawed. Most ordinary people back in the electorate would say, ‘That’s not too good; that’s not the best system.’ I think they expect the best of us.

As I understand, we have moved a second reading amendment, and I am reminded by the honourable member for Shortland that the shadow parliamentary secretary, Senator Conroy, has already moved a detailed amendment in the Senate to try to rectify this matter. I support that amendment.

The DEPUTY SPEAKER (Hon. DGH Adams)—Order! I just point out that there has not been an amendment moved in this chamber.

Mr PRICE—It was dealt with in the Senate. I apologise. Thank you for your assistance, Mr Deputy Speaker. Broadly speaking, we support the bill. It is always a good thing that there are avenues for complaint. I like the idea that, where citizens, particularly small businesses, have been disadvantaged, either by Australia Post or by the private providers, then, just as with the telecommunications scheme, we should have an ombudsman or a regulatory regime that says you compulsorily should compensate that person.

Mr Deputy Speaker, you will remember the despair that so many small businesses went through when their Yellow Pages ads were being left out or when telephones for small businesses were out of order or were not properly connected and people lost many dollars—hundreds and thousands of dollars. They formed their own association to try to get some justice out of it. Finally, we developed a regulatory regime which actually gave them that ability.

Whether it is a private provider or Australia Post, if you are a small business man and there has been some mix-up, some mistake or some failure to deliver services as contracted—it may be only a modest amount of perhaps a couple of thousand dollars or more that is involved with the provider—you can have lost effectively tens or hundreds of thousands of dollars of business. There is no compensation scheme in here. There is no real stick in here. I think there should be.

The expectation that small businesses somehow have the cash reserves to go to the local solicitor and say, ‘We need to mount a case and get compensation,’ is grossly unfair to them. Most small business owners work exceedingly hard, work very long hours, and often make very modest amounts of money or profit at the end of the day. The idea that they can take on Australia Post or take on private providers to get just compensation—not unfair or unbalanced compensation but just compensation—is wrong. It is an area where we differ from the government, but I believe in this instance it is important to stand up for individuals and small business. I think the scheme could be infinitely improved by addressing that fact.
In conclusion, let me say that I certainly support the amendment that the Senate passed. I also want to say that we on the opposition side are supporting this bill. I know that the member for Oxley raised the issue of Australia Post and its future and how it operates. Let me say for the record—I have commented on the regulatory regime, and I will finish on this note—that the current difficulties we are experiencing in Telstra are said to be because the government is the regulator and the majority owner and therefore this is a situation that is unworkable and must be addressed at the first instance. In the case of Australia Post, the government is certainly the regulator. It is not the majority shareholder; it is the only shareholder. As the Prime Minister said yesterday—he provided a guarantee at question time—Australia Post will not be privatised. I say to the workers in Australia Post, or those dependent on Australia Post, that I do not understand how urgent action is required in Telstra, how issues must be addressed and how a whole heap of alleged problems are being caused because of the nature of the regulatory regime and ownership, when the same system—by and large; not perfectly similar but very similar—in Australia Post is causing no problems whatsoever and when Australia Post’s future in government hands is assured.

I have complaints about Australia Post, that is for sure, but I also admire the job they do and the hard work that their workers put in. I know many of them, because they live in my electorate. I am very proud. But what the Prime Minister said yesterday should give them no comfort, I regret to say, and there is a degree of hypocrisy in the response to that question.

Mr GEORGIOU (Kooyong) (10.50 am)—I enjoyed the first part of the observations of the member for Chifley on the role of ombudsman, but I did think his conclusion was very amusing. Australia enjoys a world-class postal service, and this government is committed to ensuring that this continues and is enhanced. Our postal services are provided by a number of operators, of which Australia Post is by far the largest. This government has already required Australia Post to introduce a service charter to promote and protect consumer rights. Current regulations require Australia Post to meet certain minimum performance standards, including that 94 per cent of ordinary letters be delivered on time and that there be a minimum of 4,000 postal outlets, including at least 2,500 in rural and remote areas.

In the 2001 election campaign, the government committed itself to establishing a Postal Industry Ombudsman. In accordance with this commitment, following the re-election of the Howard government, the government prepared and released a discussion paper which was subject to public submissions. The government consulted with the Commonwealth Ombudsman. Legislation was subsequently developed in consultation with relevant stakeholders, and it was introduced into the Senate in August last year. The Postal Industry Ombudsman Bill 2005 was reintroduced in November following the re-election of the government.

 Australians have come to expect timely and efficient postal services, and most of the time that is exactly what they get. It is notable that in 2003 and 2004 Australia Post handled 5.31 billion items of mail and delivered 95.5 per cent of domestic letters early or on time. However, the fact is that from time to time items may be lost or people may believe that their mail has been mishandled or that they have received deficient services. In those instances, there is no independent and recognisable entity responsible for investigating complaints. The Commonwealth Ombudsman can investigate complaints against Australia Post, but that is not a high-profile function of the Ombudsman’s office as it stands.
This legislation will establish the Postal Industry Ombudsman, the PIO, to fill this vacuum. The PIO will be a dedicated office responsible for investigating actions taken by Australia Post in relation to the provision of postal services, including courier and packet- or parcel-carrying services. The PIO will also be responsible for investigating actions relating to the provision of postal services by private postal operators that are registered with the ombudsman.

The government intends that the Postal Industry Ombudsman scheme should be voluntary for private postal operators. As has been mentioned on a number of occasions in the course of this debate, a Labor amendment passed in the Senate, which the government rejects, would require private postal operators with 20 or more employees and an annual turnover of over $1 million to apply to be registered. To make the Postal Industry Ombudsman mandatory for private postal operators would, the government believes, be a disproportionate response to the level of complaints about the postal industry. However, the government has crafted the Postal Industry Ombudsman scheme to offer benefits to private operators so that there are incentives for them to opt into the scheme. Private operators may use registration with the PIO as a marketing device for customers. It will give them a final arbiter for the resolution of difficult disputes, and the costs and difficulties of dealing with fair-trading legislation and officers in all states and territories will be reduced.

Despite these benefits, the fact is that some private postal operators may not register with the PIO, and these operators will be covered by state and territory consumer protection legislation. The dedicated Postal Industry Ombudsman will be set up within the office of the Commonwealth Ombudsman, and the office of PIO will be held by the person who holds the office of Commonwealth Ombudsman. This is similar to the Defence Force Ombudsman.

The Commonwealth Ombudsman’s web site notes its heritage in the establishment of an ombudsman in Sweden in 1809 as an office to act as a defender of the people in their dealings with the government. The Commonwealth Ombudsman commenced operations in 1977 and, as that outstanding Prime Minister Malcolm Fraser noted, the establishment of the office is directed towards ensuring that departments and authorities are responsive, adaptive and sensitive to the needs of citizens. Similarly, the Commonwealth Ombudsman describes its mission as including correcting defective administration by conducting independent investigation of complaints about the Australian government’s administrative actions, and fostering good public administration that is accountable, lawful, fair, transparent and responsive.

The Ombudsman aims to resolve complaints impartially, informally and quickly by negotiation and persuasion and, if necessary, by making formal recommendations to the most senior levels of government. The Commonwealth Ombudsman considers and investigates complaints from people who believe they have been unfairly or unreasonably treated by a Commonwealth department or agency. These include the ATO, the Australian Federal Police and the Australian Defence Force. Also, this government has recently expanded the reach and responsibility of the Commonwealth Ombudsman in relation to immigration detention. The Ombudsman is continuing the investigation of 201 cases of Australian citizens and other people lawfully in Australia who were detained or removed from Australia. The Ombudsman is also conducting reviews of people who have been in immigration detention for two years or more, assessing the appropriateness of those people’s detention arrangements. Potential rec-
ommendations by the Ombudsman include release from detention or grant of a permanent visa. The Ombudsman may also recommend system or process improvements.

The independent and impartial office of the Commonwealth Ombudsman has enhanced the accountability of the Australian government to its citizens. Creating the Postal Industry Ombudsman as a dedicated independent entity within the office of the Commonwealth Ombudsman will ensure that the PIO has a clear public profile, while taking advantage of the Commonwealth Ombudsman’s established staff and facilities in a number of locations throughout Australia and the office’s experience and expertise in this area. Establishing the Postal Industry Ombudsman within the Commonwealth Ombudsman’s office will achieve the advantages of a separate industry ombudsman to protect the rights of consumers in a cost-effective manner without the complexity of a separate industry based scheme.

The Commonwealth believes that the cost of establishing and maintaining an entirely separate industry ombudsman for postal services would not be justified. The level of complaints about the delivery of postal services is very low. The Ombudsman consistently receives around 1,000 complaints about Australia Post each year. State and territory offices of fair trading reported that only 37 complaints about postal operators have ever been received. This is a very small percentage of total postal transactions. Of course, it does need to be noted that the number may well increase when the PIO is established. At present most of the problems and complaints about Australia Post are dealt with by its internal complaint-handling processes. The Ombudsman reports that this is well managed and that in some cases Australia Post’s response to individual complaints exceeds its service obligations.

In the course of this debate, the opposition has made comparison with the Telecommunications Industry Ombudsman, which is an entirely separate office and a mandatory scheme. The fact is that the telecommunications and postal industries are not comparable. Moreover, the powers of the Commonwealth Ombudsman are tailored to the investigation of public sector administrative actions. These powers are extended to the Postal Industry Ombudsman insofar as they are appropriate and necessary for the investigation of service delivery complaints. Powers which the Commonwealth Ombudsman has which are considered unnecessary and which might deter postal operators from registering with the Postal Industry Ombudsman are not possessed by the PIO—for example, the power to enter premises and carry out investigations. The PIO may conduct investigations on the basis of complaint or on the basis of his or her own initiative. The PIO will not have jurisdiction over complaints made by one postal operator about another. The Postal Industry Ombudsman will be able to require a person to provide or answer questions.

The Postal Industry Ombudsman will also have power to bring evidence of any misconduct to a person’s employer. The ombudsman has the discretion not to investigate frivolous or vexatious complaints and cases where the complainant has not first complained to the postal operator or where the action is not warranted in all the circumstances. The Postal Industry Ombudsman will be obliged to comply with the rules of procedural fairness. The Postal Industry Ombudsman will be required to prepare a report for a postal operator where the ombudsman identifies an action as being contrary to law, unreasonable, unjust, oppressive, improperly discriminatory or otherwise wrong in all the circumstances and where the ombudsman considers that some countermeasure should be taken to mitigate or rectify the effects of the action, that reasons for an action should be given or that policy should be introduced or
changed. The report must be given to the minister and, where appropriate and adequate actions are not taken within a reasonable time, the ombudsman may request that the responsible minister table the report in the parliament.

The Postal Industry Ombudsman will also be able to provide its reports to complainants. These powers are expected to encourage complainants to implement autonomously the Postal Industry Ombudsman’s non-binding recommendation. The Commonwealth Ombudsman will retain its existing powers to investigate Australia Post’s actions. These will be used primarily in relation to the administration of, rather than the provision of, postal services—for example, freedom of information requests. The bill provides for complaints about Australia Post to be transferred between the Postal Industry Ombudsman and the Commonwealth Ombudsman as appropriate. Complaints may also be transferred to other statutory officeholders, such as the Privacy Commissioner, where this is more effective. This will facilitate the most appropriate handling of each complaint.

The additional cost of administering the postal ombudsman scheme will be recovered from postal operators. Fees may be charged to Australia Post and the registered private postal operators for a completed investigation. The fees may be up to the maximum of the cost incurred in conducting the investigation or an amount determined by the minister. The establishment of the Postal Industry Ombudsman will assist consumers and small businesses to settle their disputes with Australia Post and registered postal providers informally and quickly. It will do so in a cost-effective way, making use of the existing expertise and facilities of the Commonwealth Ombudsman. I commend the bill to the House.

Ms HALL (Shortland) (11.02 am)—I was very pleased to hear the member for Fisher guarantee that Australia Post would not be sold. He was prepared to make a rock solid, ironclad guarantee based on the fact that the Prime Minister said that that was the case. I would like to remind the member for Fisher that maybe he should have been a little hesitant about agreeing to that rock solid, ironclad guarantee. The Prime Minister also promised that there would not be a GST, and that has changed. I hope, for the sake of Australia and for the sake of Australia Post, that the rock solid, ironclad guarantee that the member for Fisher was prepared to give earlier, based on the Prime Minister’s word, is actually observed.

The Postal Industry Ombudsman Bill 2005 is long overdue and implements an election promise made by the Howard government not at the 2004 election but at the 2001 election. Originally, it was introduced into parliament in August 2004 and it lapsed when the election was called. I find that very interesting because I think it shows the priority that the government placed on this piece of legislation. It shows how committed it was to setting up a postal ombudsman. This legislation shows just how important it thinks a postal ombudsman is.

As I make my contribution to this debate I, like previous speakers on the opposition side, will pick out some of the weaknesses that we see in this legislation. I would like to indicate at the start of my contribution my strong support for the amendment that was moved through the Senate and I implore the government to rethink its position on this. It makes for stronger legislation and it gives greater protection to Australians as individuals and to Australian businesses.

The government said that they were going to do this during the 2001 election. Yet it was only on the eve of the last election that they introduced it into the parliament. I suspect that it was one of those things that they just felt they had to do and they were not terribly committed
to. It is now nearly 12 months after the election and here we are debating it in the House. It is hardly the government showing that they were committed to setting up a Postal Industry Ombudsman and hardly demonstrating that it was a priority for the government.

This government is now implementing that promise and the Postal Industry Ombudsman will operate as a separate office within the office of the Commonwealth Ombudsman. I find that a problem, too. Why isn't the government prepared to set up a separate office for a Postal Industry Ombudsman? Why is it only going to set it up as an office within the Commonwealth Ombudsman's office—I think the figure that has been committed to this is somewhere around $300,000 a year—to investigate issues that are of great importance to people that use postal services in Australia?

The member for Kooyong pointed out that it is similar to the Defence Force Ombudsman. But I would like to put on the record that there have been numerous problems with the defence ombudsman and how complaints are handled within that area. I believe that a government that was really committed to setting up a Postal Industry Ombudsman would set it up as a full-time office and as a full-time job, not as a part-time job just giving lip-service to a commitment they made at the 2001 election—one that they were not happy to push through in that term of parliament and one that they are finally seeking to legislate 12 months after the last election.

Another issue that I am quite concerned about is the fact that, while the Postal Industry Ombudsman will deal with consumer complaints regarding postal services for Australia Post and for private operators who choose to join the scheme, this legislation will not be requiring all postal operators with 20 staff or more to be included. That is the amendment that the opposition moved in the Senate. That amendment would make this really strong, workable legislation. It is an amendment that this parliament should be embracing and an amendment that would actually give this legislation some teeth.

These opt-in, opt-out options so commonly embraced by the government I believe are driven by their philosophical commitment that business should be self-regulating and should not have any restraints placed on them—that they should not be accountable; that is what it comes down to. These operators with 20 or more staff will not be accountable in the same way that telecommunication operators are. The Telecommunications Industry Ombudsman is the model that should have been adopted—it is the model that this legislation should have been designed around.

The office of the Telecommunications Industry Ombudsman actually works. My electorate office receives numerous complaints—as, I am sure, do members on both sides of the House—about telecommunications providers. I would have to say that we have been able to approach the Telecommunications Industry Ombudsman about each and every complaint because, unlike with this piece of legislation, the ombudsman covers the whole industry.

This legislation is flawed. As the member for Oxley said, the only redress for those consumers whose complaint cannot be dealt with by the Postal Industry Ombudsman is to go their state's fair trading office. The government is transferring its responsibility—it is cost-shifting—to the states, and it is not delivering to the people of Australia as it should. I truly believe that the Postal Industry Ombudsman should be a separate office. The Postal Industry Ombudsman should cover all postal operators with 20 staff or more. In addition, the Postal Industry Ombudsman should have the power to enforce compensation orders. This legislation
lacks teeth and is extremely weak. Whilst we on this side of the House will support it, there are some real deficiencies within the legislation that further dissipate the power of that office.

The member for Chifley made a very good point at the conclusion of his speech, and I would like to associate myself with his statement. Yesterday in question time the Prime Minister said that the major shareholder in Telstra should not be the regulator for that company. He also said that he had no plans to sell off Australia Post. This was confirmed by the member for Fisher, who gave that ‘rock solid, ironclad guarantee’ that it would not happen. The situation is more definite with respect to Australia Post, where the government is the only shareholder, not the major shareholder, and it is the regulator. Surely this is a bit hypocritical. Double standards are being applied by the Prime Minister. I am not convinced that the sale of Australia Post is off the agenda.

It is also interesting that the question that the member for Fisher asked the member for Oxley concerned whether he could list the countries that have privatised their postal service. To me, that demonstrates an underlying interest by the government in privatising Australia Post. He wants to look at overseas examples—maybe he will go away to his office and work at modelling what could happen in Australia based on what has happened overseas. Once he has done his modelling, he can send it off to the Prime Minister and say, ‘Hey, Prime Minister, maybe I gave a rock solid, ironclad guarantee in the Main Committee on 8 September 2005; maybe in question time you said Australia Post would not be sold; and maybe you do not see that there are any double standards with Australia Post’s only shareholder being the regulator and Telstra’s major shareholder being a regulator. But how about we sit down and look at these overseas examples. I am sure that, as with the GST and all the other areas where we have given rock solid, ironclad guarantees in the past, we can revisit it and we can sell off Australia Post.’ My advice to Australians is: be very, very careful; what the government says today is not what it does tomorrow.

I support this legislation. I am very disappointed that the government is not going to accept the amendment that was moved in the Senate. But these days the government can do as it likes. It has an absolute majority in both houses. The arrogance of the government is becoming more visible each and every day. We in the opposition know that this legislation needs to have more teeth, but we also know that the government has to be beholden to people in big business. Maybe that is why it is not prepared to include operators with 20 or more staff. I once again ask the government to reconsider its position on the amendment moved in the Senate, and I recommend that the government adopt it.

Mr PROSSER (Forrest) (11.17 am)—I rise in support of the Postal Industry Ombudsman Bill 2005, which implements a government election commitment to establish a dedicated Postal Industry Ombudsman. Unlike a number of overseas postal administrations, Australia does not yet have a dedicated PIO. As a result, consumers do not have a recognisable, dedicated and independent entity to deal with their complaints about the provision of postal services.

Although the Commonwealth Ombudsman currently has the authority to investigate actions taken by Australia Post and to recommend that it take appropriate action, it does not have a high profile with regard to postal complaints. Many consumers may therefore be unaware of the Commonwealth Ombudsman’s role with regard to Australia Post. The bill addresses this situation by inserting a new part in the Ombudsman Act 1976 to establish the PIO.
as a separate office within the office of the Commonwealth Ombudsman. The PIO will be established as a high-profile office that will be responsible for investigating actions taken by Australia Post and non-Australia Post providers on an opt-in basis in relation to the provision of postal services. The Commonwealth Ombudsman does not currently have the authority to investigate complaints relating to postal operations other than Australia Post’s. Complaints relating to private postal operators—PPOs—are instead investigated by the relevant state or territory office of fair trading.

To address these issues, the bill will establish the PIO as a high-profile office that will be responsible for investigating actions taken by Australia Post in relation to the provision of postal services. The PIO will be responsible for investigating complaints against or actions taken by Australia Post in relation to the provision of postal or similar services. These investigations would previously have been conducted by the Commonwealth Ombudsman. The PIO will be able to investigate complaints against or actions taken by other postal operators who choose to register with the PIO. Operators who do not register will remain subject to the authority of the state or territory office of fair trading. The powers, functions and duties of the PIO are dealt with in a separate part of the Ombudsman Act, consistent with the provisions relating to the Defence Force Ombudsman.

The new part sets out the specific role of the PIO in investigating actions relating to the delivery of postal and like services. These services may include postal services such as letters, services, parcels or packet services or courier services. Examples of the types of actions that may be investigated are the mishandling of mail, the loss of parcels and service complaints.

For private postal operators—PPOs—registering with the scheme may be attractive because it could be presented as a benefit to consumers using their service. It may, therefore, provide a marketing advantage over other competitors. The PIO will also serve as the final arbiter for the resolution of difficult disputes, which will benefit both postal service providers and consumers. Any operators who choose not to register will remain subject to the authority of the state or territory fair trading offices.

In many respects, the PIO will provide a similar power to the Commonwealth Ombudsman. The power of the PIO will not replace the Commonwealth Ombudsman’s existing powers to investigate actions taken by Australia Post. The Commonwealth Ombudsman will continue to investigate actions by Australia Post that relate to matters of administration. Examples of these types of actions are the handling of requests under the Freedom of Information Act 1982, the handling of pre-employment matters, the handling of tenders and contracts, and the handling of employee compensation. If a complaint is made about Australia Post to the PIO and it is the view of the recipient of the complaint that it would be more appropriately dealt with by the Ombudsman, then the complaint will be transferred.

When under investigation by the PIO, Australia Post will be subject to the same investigative regime applying to registered mail postal operators. However, if at the time the PIO considers that the investigation or actions by Australia Post warrant the exercise of the powers of the Commonwealth Ombudsman, the investigation of the action may be dealt with by the Commonwealth Ombudsman. As an example, the PIO will be able to require a person to provide information in writing or attend before the PIO to answer questions.

The PIO will also be required to provide procedural fairness to Australia Post, registered PPOs and their employees in the investigation of any actions they have taken, whereas the
Commonwealth Ombudsman’s powers are tailored to investigate public sector administration actions. The PPO powers will be customised for the investigation of service delivery complaints in relation to both Australia Post and private operators. Moreover, as the PIO will have jurisdiction over non-government entities which have voluntarily registered with it, the PIO will not have certain powers that are considered unnecessary or which would act as a deterrent to PPOs registering with the scheme. For example, it is not considered appropriate to provide the PIO with the power to enter premises or to override a person’s claim to legal professional privilege. Due to these differences, the PIO powers will be complementary rather than replace the Commonwealth Ombudsman’s existing powers to investigate actions taken by Australia Post.

As previously mentioned, the Commonwealth Ombudsman will retain existing powers to investigate actions by Australia Post and will use these powers primarily to investigate actions that are not related to the provision of postal services. However, complaints transfer provisions in the bill will mean that complaints can be transferred from the PIO to the Commonwealth Ombudsman and vice versa. This will mean that most, if not all, service delivery complaints against Australia Post will be dealt with by the PIO in a similar way to those against any other postal operators, but where it is more appropriate to do so, complaints against Australia Post can still be dealt with by the Commonwealth Ombudsman. This will ensure that the full powers currently available for investigation of actions taken by Australia Post will remain available.

The PIO will also have the discretion to transfer an investigation to another statutory office holder if it is considered that it could be more conveniently or effectively dealt with by that statutory office holder. In combination, these transfer measures will ensure that the complaints are handled by the Ombudsman or a statutory office holder with the most appropriate functions and duties to deal with them. As the PIO will be an opt-in scheme for PPOs, the bill provides that a register of registered PPOs be maintained for administrative purposes and for public information.

The bill provides that PPOs other than Australia Post may apply in writing to the PIO to be registered and are taken to be registered once the PIO includes them in the register. The PPO may apply in writing to deregister from the scheme. However, the PIO will still be able to investigate a complaint where the PPO has decided to deregister as long as the action was taken while they were registered and the complaint is received within 12 months of the action that is complained of. This provision is intended to discourage PPOs from deregistering simply to avoid having a particular action investigated.

Upon establishment of the PIO, Australian consumers will, for the first time, have the benefit of a recognisable and independent ombudsman dedicated solely to the investigation and arbitration of complaints concerning the provision of postal services. The PIO will also serve as the final arbiter for the resolution of difficult disputes, which will be for the benefit of both postal service providers and Australian consumers. The PIO’s jurisdiction and powers will be wider than those currently afforded to the Commonwealth Ombudsman, as the PIO will also have the power to investigate complaints against non-Australia Post operators who have volunteered to be covered by the PIO scheme.

Any operators who choose not to register with the PIO scheme will remain subject to the authority of the relevant state or territory offices of fair trading. Establishing the PIO under
the administrative umbrella of the independent and respected office of the Commonwealth Ombudsman provides the benefits of existing expertise with a relatively low financial outlay. The Commonwealth Ombudsman is a respected and independent body and has personnel and facilities already in place in a range of locations around Australia. The Commonwealth Ombudsman’s office also has existing expertise in this area as it currently investigates complaints about Australia Post’s delivery or postal services, as well as complaints about administrative decisions on a wide systemic basis.

Although I am mindful of the length of time it has taken to introduce this legislation, I understand that the drafting proved to be technically complex due to determining which parts of the Commonwealth Ombudsman’s general functions should apply to the PIO, as well as technicalities associated with funding arrangements. The drafting of this legislation has followed an extensive process and historical evidence following consultation with the state and territory offices of fair trading. However, delays and complexities notwithstanding, I agree with my parliamentary colleagues that it has been better to accurately construct the legislation so that this government can remain in no doubt that it strikes the right balance between protecting the rights of Australian consumers, small business and private postal operators, including Australia Post, with the cost and complexity of administering the scheme. I commend the bill to the House.

Ms GRIERSON (Newcastle) (11.28 am)—I also rise to speak on the Postal Industry Ombudsman Bill 2005 and to support Labor’s amendment as moved in the Senate by the shadow minister for communications and information technology, which ensure that the ombudsman has jurisdiction over all significant postal operators, including private postal operators. This is an important amendment, given the ongoing experiences of my constituents living at Stockton, a suburb in the northern part of my electorate. I will come back to talk about those experiences and the abject failure of the private contractor system to provide a decent mail delivery service for the almost 4,500 people living there.

Let us be clear about the purpose of this bill before the chamber today. The Postal Industry Ombudsman Bill seeks to establish an external dispute resolution scheme in the form of an ombudsman’s regime for the postal industry. It also delivers, albeit belatedly, on a promise made by this government to the Australian people some four years ago in the lead-up to the 2001 election. Significantly, the government’s original commitment in 2001 was to introduce a Postal Industry Ombudsman—PIO—based on the model provided by the telecommunications ombudsman’s scheme. But the legislation before the House today is a much watered down version of that original promise. Having proposed a Postal Industry Ombudsman back in 2001, it was not until October 2002 that the government was stirred to release a discussion paper on its proposal. Significantly, this discussion paper floated a number of softer options, including the option of industry self-regulation as an alternative to the Telecommunications Industry Ombudsman model. This was the first sign, perhaps, that the government was backing away from Senator Alston’s original commitment. But it was not until October 2003, when the government finally released its preferred model, that the Australian people got to see just how far this government has gone to distance itself from any notion that the PIO would be based on the Telecommunications Industry Ombudsman model.

The key features of the model that is proposed are these. It proposes amendments to the Ombudsman Act 1976 to establish the new Postal Industry Ombudsman as a separate office
within the Commonwealth Ombudsman’s office. The Postal Industry Ombudsman will have the power to investigate complaints against Australia Post and private postal operators that are registered with the scheme. The Commonwealth Ombudsman retains jurisdiction over Australia Post, which will result in a dual complaint regime in relation to Australia Post.

With respect to Australia Post, investigations can be transferred from the office of the Commonwealth Ombudsman to the office of the Postal Industry Ombudsman and vice versa. The Postal Industry Ombudsman’s powers will not be as exhaustive as the powers of the Commonwealth Ombudsman, such as the power to enter premises or to override a person’s claims that documents are protected by legal professional privilege. The office of the Postal Industry Ombudsman will be financed by fees charged to Australia Post and the registered private postal operators in relation to investigations.

According to the government’s explanatory memorandum, the reduced powers of the Postal Industry Ombudsman, as compared to those of the Commonwealth Ombudsman, were deliberately chosen ‘to avoid applying powers which are not considered necessary and which may act as a deterrent to a postal operator registering with the PIO’. Having refused to entertain the notion that the Postal Industry Ombudsman should be a compulsory scheme for both public and private postal operators, the government now seeks to further minimise the powers of the Postal Industry Ombudsman in a bid to entice private postal operators to voluntarily opt into the scheme.

So what jurisdiction will the Postal Industry Ombudsman have over private postal operators? The legislation allows for a wide range of private postal operators who are potentially able to join the scheme, including large mail service and courier companies, medium sized regional and small local service providers and certain air freighters or some storage and transport businesses to the extent that they are involved in private sector parcel delivery services.

As is the case with an industry based complaint or dispute resolution scheme such as the Banking and Financial Services Ombudsman, the proposed Postal Industry Ombudsman scheme is not compulsory for private postal operators, but they can opt to participate in the scheme. We hope they do. However, private postal operators and the courier service market in particular are characterised by strong fragmentation, with many very small companies and many individuals operating as businesses. This is certainly the case with the local provider in my electorate who has a contract to deliver mail in the Stockton area; we are talking about one person.

A recent analysis of the courier service industry revealed that the industry was dominated by small businesses, with nearly 75 per cent of management unit locations employing fewer than 10 people. In a fragmented market structure such as the courier services market and the small local service providers, it remains unclear just how many of the small companies may actually opt to join this scheme, especially given that they may be faced with bearing costs for the Postal Industry Ombudsman.

Is there a case for a compulsory Postal Industry Ombudsman’s scheme? I would have thought there are several good reasons to favour a compulsory system that are worth raising for the parliament’s future consideration. An increase of consumer confidence in the industry would be a major one. A compulsory scheme would require anyone who is engaged or wants to engage in a business covered by the proposed legislation to become affiliated with such a
scheme. This would in fact enhance consumer confidence due to a higher level of regulation of the industry.

Another reason would be the avoidance of false industry representation to consumers. Compulsory registration would prevent service providers making false claims about their identity or making false representations to consumers about actually being affiliated with the scheme. One would also hope that one of the outcomes of such compulsory affiliation would be the improvement of industry standards. Increased transparency and certainty for consumers would also be a desirable outcome.

Under the proposed PIO scheme, industry participants may be able to choose the dispute resolution forum that is more beneficial to them. If they choose to join the new scheme as a registered private postal operator, the proposed PIO scheme will become applicable to them. If they remain unregistered, any complaint against the service provider will have to be based on state consumer protection legislation and may be brought before the Office of Fair Trading of the states. Considerations such as financial contributions to the Ombudsman’s scheme may be an important argument not to join the proposed PIO scheme as a registered PPO, especially for very small businesses. A compulsory system could have the advantage that even small businesses would be required to join the scheme. This could then lead to a system that has the potential to be much more transparent and much more certain for consumers, because the need to determine the jurisdiction applicable to the dispute would become obsolete.

During the 2004 election campaign, Labor pledged to introduce a postal industry ombudsman. Labor criticised the government’s proposed approach, however, and argued that the PIO should be based on the original Telecommunications Industry Ombudsman model. In particular, Labor argued that the PIO should have a broader jurisdiction and the power to make orders to compensate consumers. The TIO scheme applies to all telecommunications service providers. In contrast, the government’s proposed PIO only has jurisdiction over Australia Post and private postal operators who choose to join the scheme. During the election campaign Labor stated that it would ensure that the scheme had coverage over all significant postal operators, not just Australia Post.

The TIO also has the power to order telecommunications carriers to pay consumers up to $10,000 in compensation. Under this bill, the PIO only has the power to request the minister to table a report in parliament where the PIO decides that Australia Post or registered postal operators have failed to act on its recommendations following an investigation. While adverse reports tabled in parliament—harmful publicity—would act as a deterrent to Australia Post and to registered postal operators, it does not provide much in the way of meaningful redress or compensation for individual consumers.

People in the Newcastle suburb of Stockton in my electorate understand why we need a postal industry ombudsman with strong powers to investigate consumer complaints. For those not familiar with the geography of my region, Stockton is a suburb that lies across Newcastle Harbour, across from the city centre. To avoid a 25-minute drive going around the harbour and over the Stockton bridge further up the Hunter River, the quickest and easiest way to get to Stockton is to take a five-minute ferry ride across the harbour. That this suburb is best accessed by ferry tells something of its isolation from the city. Stockton represents very much the best of the Novocastrian spirit. They are a proud, independent and resourceful community.
and are very demanding of their government services. But what they do not like is the service that has been provided to them since the privatisation of their postal delivery in 2001.

In April this year I received a letter from a constituent whose grandmother lives in Stockton. It highlights exactly the sorts of problems that have been common in the area since 2001. The letter reads:

Last week my grandmother received a final letter of demand for an insurance bill that was due in January, having never received the original bill. She has also failed to receive a wedding invitation that was posted last month. Similar invitations posted at the same time for the same wedding have all been received, some in remote parts of NSW.

The letter continues:

It is extremely distressing for her to discover accounts which have not been paid either through final notices such as the one received last week or, as happened last time, when vital services such as the phone were cut off without her knowledge.

It is no wonder that the residents of Stockton can feel isolated. They are very dependent on their mail service. This year, some of the other reports out of Stockton about their mail services have included: important mail being delivered to the wrong house or not arriving at all; electricity bills, car registration and insurance premiums arriving after they are due for payment; people receiving mail addressed to businesses in the area, including a doctor’s surgery; people with the same last name and first initial consistently receiving each other’s mail; requests to hold or redirect mail by residents going on holidays not being actioned appropriately; a superannuation fund refusing to resend a member’s documentation for the third time, presumably finding it difficult to believe that the first two did not arrive; mail being damaged by being stuffed into letterboxes or allowed to drop out on to the ground; and unprofessional behaviour by postmen.

I have spoken about this in the House because there were worse examples over the last three or four years. They included things like a medical bracelet going missing, people missing out on university places—all sorts of life-disturbing events. There was a package of 250 mail items found on the side of the road. The person ringing my office offered to bring them in to me. Those have been in many ways typical, unfortunately, of this outsourced service.

The last time I raised issues such as this in parliament in June this year, the Minister representing the Minister for Communications, Information Technology and the Arts in the House dismissed the concerns of Stockton residents out of hand. Minister McGauran appeared to believe that these concerns were not worth raising in the parliament. By the way, I think he has had just as little to say about Telstra services and their importance as well.

In relation to concerns, though, of the residents of Stockton, the minister accused me of dumping this problem at the government’s feet. It was typical of this arrogant, out of touch government, I thought. It does not want to know about the legitimate concerns of the community. It does not believe that the Commonwealth has a responsibility to maintain a decent, reliable postal service to the Australian people. Perhaps that is why it began the process of privatising mail delivery in the first place without any checks or balances. That is why, perhaps, four years after it promised a postal ombudsman, the government has finally bowed to that pressure and introduced legislation to establish a postal industry ombudsman and help resolve some of these complaints.
One cannot help but suspect that this may be the first step, though, in preparing Australia Post for full sale as well, if the government’s track record is to be relied on. Like in so many other areas, whether it is telecommunications, health care or education, the government seems more interested in getting more for less, irrespective of the quality of the service being delivered. When I raised my concerns in the budget considerations this year, Minister McGauran suggested that I must not have been trying hard enough to resolve these local mail problems. You would think it would have been easier than this. I must acknowledge that he has since publicly apologised in my electorate for his comments. But at the time he said I should take them up with Australia Post and resolve them on the ground.

I can reassure the minister and the House that over the past few years I have met with Australia Post management seven times; I have conducted a survey of Stockton residents, which found that over 80 per cent of residents had problems with their mail service; I have hosted two community forums to allow residents to have their say on these issues; and I have assisted the hundreds of Stockton residents who have contacted my office on each occasion to try to get their mail delivered on time to the right place.

I should also say that there have been changes in Australia Post personnel and the people delivering the service, but the improvements are far from flowing. To its credit, though, I have found Australia Post generally willing to investigate and act on individual resident’s problems by monitoring their mail to individual addresses and keeping in contact with them. I also understand that steps have been taken by Australia Post in relation to the structure of the delivery contracts for Stockton and the personnel involved. While that is welcome, I am currently obtaining feedback on whether it is actually improving service. But a week does not go by without a complaint. We certainly hope those improvements will come. However, given that this has been a chronic problem since 2001 for the people of Stockton, the residents are entitled to be very wary.

A major issue for the ombudsman and the minister should be to review the terms of the contracts for private mail delivery. I strongly suspect that the Stockton contract dictates a cheap and ineffective service by offering too low a payment, setting inadequate benchmarks and lacking genuine performance review. While the government may not be interested in whether or not services improve in Stockton, I can guarantee that Stockton residents will be the first in the queue for the postal ombudsman.

Unfortunately, other parts of Newcastle are not immune from the problems with mail services. For instance, for a medical centre in my electorate, pathology results and other medical correspondence were arriving up to one week later than could be expected; or the gentleman whose mail was apparently redirected to someone else’s post office box for six months without his knowledge. I will also continue to assist the constituents who contact my office out of sheer desperation after trying unsuccessfully to have their complaints heard through the Australia Post centralised telephone line—phone rage happens. There are also residents, particularly older residents, who are most impacted by the continued withdrawal of posting boxes and postal shopfronts, such as the ones at Newcastle West and the Hamilton delivery centre.

The Postal Industry Ombudsman to be established by this legislation, while by no means perfect, should give the community a further channel to make its voice heard. What it cannot do, however, is cover this government’s lack of interest in the very real concerns that people have about the standard of their delivery and mail services. Many of these issues are not sim-
ply matters of individual complaints needing resolution; many are chronic structural problems that require genuine leadership, investment and policy ideas from an increasingly arrogant and lazy government.

In conclusion, Labor do welcome the introduction of an external complaint and investigation mechanism to oversee the Australian postal industry, but we remain concerned about the lack of transparency and certainty for consumers. Personally, I do not think this legislation goes anywhere near far enough—not when we consider how essential mail services are to people. In this room, many of us would be so dependent on our emails and our mobile phones that we forget that, for many people in Australia, it is still Australia Post that keeps them in touch with everything that happens in their lives. So we certainly do need a process that gives some confidence and comfort to the Australian users of that service. In particular, there is the possibility that many small businesses, like the private contractors and the one-person businesses that do the contracts at Stockton, may choose not to participate in this scheme. Accordingly, whether the proposed scheme will be a success story will strongly depend on its acceptance among both small businesses and the customers who bring complaints.

We hope that Labor’s amendment is passed as soon as possible and, more importantly, that its implementation will be rapid. We have held off going to the Commonwealth Ombudsman while waiting for the Postal Industry Ombudsman because they may have a more sympathetic or specialised approach. The most important thing, in supporting Labor’s amendment, is the hope that it gets passed as soon as possible and, more importantly, that the bill’s implementation will be rapid. We have held off going to the Commonwealth Ombudsman while waiting for this Postal Industry Ombudsman because the PIO may have a more sympathetic or specialised approach. But we need to see some mechanisms in place that do give the Australian public comfort that services will be delivered effectively and reliably.

Ms ANNETTE ELLIS (Canberra) (11.47 am)—I am pleased to have the opportunity in this place this morning to speak briefly on the Postal Industry Ombudsman Bill 2005. The government gave a commitment well over three years ago for an initiative such as this. I am pleased that we are at last able to debate this long-awaited government commitment.

We support this bill in principle. During the 2004 election campaign, Labor pledged very strongly to introduce a postal industry ombudsman regime in this country, which is very long overdue. On behalf of the constituents in my electorate, I welcome the initiative.

It is worthy to note, however, that the bill that eventually came from government does not quite reflect the bill that was originally talked about by government back in 2001 or earlier. It seems that the original, clearly stated intention at the time has somehow been worn down. It does not quite resemble what we were expecting to see from the original statements of government; nevertheless, it is bringing a new regime into the country which I think many people in general will welcome.

The bill inserts a new part into the Ombudsman Act 1976 establishing the Postal Industry Ombudsman, albeit as a separate office within the Commonwealth Ombudsman office. This will mean that people using Australia’s postal service will have access to an investigative process should they have complaint with the postal service. The issue for us is to question why this is not an independent ombudsman arrangement, rather than being attached to the Commonwealth Ombudsman office. Given the opening-up of postal services in Australia, the
growth of competition and the range of services that are now available outside Australia Post as well as within, it is fair to imagine that such an independent regime would be justified.

Why, I ask, has the government not adopted the model that the Telecommunications Industry Ombudsman is set up under? Under the TIO model, that regime applies to all relevant service providers within the telecommunications sector, and I do not quite understand why that has not been the approach adopted by the government in this case. The PIO will only have direct jurisdiction over Australia Post or those private operators who choose to join this scheme of their own volition.

The original bill provided an ability for private postal operators to opt into this scheme and not be compelled to join. I was really very pleased when we successfully moved an amendment to this provision in the Senate requiring that, where a PPO meets certain conditions in this bill—namely, that the PPO comprises 20 or more employees and has an annual financial turnover threshold greater than $1 million—the PPO must apply in writing to the Postal Industry Ombudsman to be registered accordingly. I thought, frankly, that that was a very sensible amendment and should have been in the original bill. I see no reason not to have this provision and I cannot understand why the government did not take this approach in the first place if they were ridgy-didge about this particular initiative.

As I said earlier, postal services in this country are growing. Competition is increasing and more are entering the field, and my constituents should have access to this complaints regime whether they have used the services of Australia Post or another player in the scheme. It now appears, however, that we are not going to see that amendment remain in the bill. The government have decided not to accept it. I think this is frankly ridiculous because it is logical, good policy that they are going to deny us.

The government’s view is that these other players can be investigated by the relevant state or territory fair trading regimes. Can we just look at this for a moment from the point of view of the people in the community who simply need to access postal services? Why on earth in this day of competition should they have different access to a complaints regime? If it is Australia Post, they will go through one door. If it is a PPO that has elected to stay out of this regime, they will have to find the other door to enter. This is crazy. I do not understand why there is a reluctance to put this good piece of policy back into this bill. My view is that the government has an ideological view of the world that drives these decisions; they are not based on logic or commonsense or consideration of the consumer—and that is what this is all about. What a pity that the government cannot see its way to adopt these amendments as approved by the Senate.

I know from experience in my electorate office over some years that many people have had cause to complain about certain aspects of postal services in the past and they will welcome the general thrust of this bill. I want to reflect on this briefly. Over those years there have been all sorts of complaints. The biggest ones I have to think back to are the closure of postal offices, the closure of postal outlets within retail situations and the removal of access to general postal services within suburban areas. We have had some terrific, mighty fights on the footpaths of my electorate in the past to try and have those services preserved. We have not had access to something like this ombudsman idea; it has really just been the community versus Australia Post with the government somewhere in between.
Another thing is the removal of postboxes. As other members on this side of the House have pointed out, some people rely on being able to access a local postbox. They just want to walk down with the dog, pop the letter in the postbox and go home. When they see the removal of a postbox, they do not quite understand why that has to happen. They do not understand that according to Australia Post not enough people are using that box they have to have it taken out of their community. These are basic, important things for the ordinary folk out there who may not have email. In fact, they might have email but they might really like to write a letter or to be able to post a cheque. Cheques still exist. So there are reasons why people in the community really need to have their voices heard on these issues.

Access to an ombudsman is going to make a lot of difference, and I am pleased that they will have that access. I am pleased that they will have an ombudsman process that hopefully will help them. The most important thing I think I need to say in this debate is that this process must work. It has to work because it will be the one thing that those people will be relying upon. I hark back for a moment to the comments I made just a few seconds ago. The growth of competition and the broadening of the market are all things that none of us really object to, so why on earth are we making sure that the private operators in the postal services in this country can choose whether or not to come under this regime?

The government sits there and says it is okay because they will be administered through the state or territory fair trading arrangements. I do not think that is good enough. Where is the federal view of this world when we are talking about postal services? It is fundamental across all state jurisdictions, it knows no boundaries—a letter will not bounce back because it has hit a state boundary—so there needs to be some commonsense to this. From all of my observations, the amendment that was moved in the Senate was eminently sensible. It was a really good idea. It was something that should have been in there originally but was not. The Senate put it in there, and the government has now said, ‘No, we’re going to give the private operators the choice.’ I think it is about time that this happened. They need to have one point of entry. They need to have a phone book of complaint places to go to; they need to have one point of entry. I do not see why this has not been adopted. It is illogical to me, it is just ridiculous, but that is the case.

Mr Hunt—Ha, ha!

Ms ANNETTE ELLIS—The member opposite laughs, but I do not see that it is a laughable point. Governments are here for the people, not for their own majority rule when they think that, because they can do these things in the Senate, it justifies them. It does not justify them. It is a bad idea not to have that amendment included, and I have not heard one good reason from the other side—and I have been listening carefully—to justify why they have not done it that way, just an ideological view that the private operators can choose what they want to do. That is not good enough. I am here on behalf of the electors of my community, and I know that they would wholeheartedly agree with me when I say: ‘Give me one point of entry for complaint about postal services, and when I need to use it I will. Don’t give me a myriad of entry points that I have to work my way through.’

At the end of the day, we believe so much in the need for a postal industry ombudsman that of course we are supporting this bill. We are reluctant about that amendment, but we have to be sensible and say that it is best that consumers get this rather than nothing. Let us hope it
works. I want it to work. If it does not, if there are inferior aspects that emerge over time, then I hope the government have the courage of their convictions to admit that maybe they should have done things a little differently—maybe it should have been set up under the model of the Telecommunications Industry Ombudsman, maybe it should have had the one stop shop for people with complaints—and to amend the legislation accordingly.

In the meantime, I support the bill on behalf of constituents of mine who need to access a complaints mechanism—obviously only on behalf of Australia Post or those brave enough to enter it of their own volition—but let us see if it works. At the end of the day, it has taken three or four years for us to get this legislation into parliament. I am not going to stand in the way—none of the members on this side are going to stand in the way—but we sincerely want it to work for the sake of the consumers and that is what this is all about.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (11.58 am)—In summing up on behalf of the government in relation to the debate on the Postal Industry Ombudsman Bill 2005, I want to start by thanking all of those members on both sides of the House who have contributed to the debate. Firstly, I want to deal with four questions raised by our amiable friends on the opposition benches and then, secondly, I want to deal with three key points about the bill itself.

The first point I want to address is the question of time. The assertion has been made by our friends on the opposition benches that this bill is overdue. With great respect, I reject that position clearly, absolutely and unequivocally. I do that because we make no apologies for the fact that we set out to be involved in a full, proper and absolute consultation process. That consultation process included state and territory governments, state and territory offices of fair trading, the community and the industry—both Australia Post and private operators. It was a full process. It was interrupted by the election, we have continued it and completed it, and we have now introduced this bill. Of course we have had to deal with the delay imposed by the Senate amendment which the government does not accept.

The second point that has been made concerns a question raised by at least one member about the conditions in relation to the long-term status of Australia Post in government hands. I simply say that yesterday the Prime Minister answered this question in the House, unequivocally and clearly: the government has no plans for change.

The third point I wish to address, a point raised by the opposition, concerns the performance of Australia Post. We recognise that Australia Post is an outstanding organisation. I want to defend its reputation and defend its performance but note the very fact that from time to time there are challenges to its performance. I understand that there were about 900 complaints to the general Ombudsman last year. That is precisely why we seek legislation such as this bill and why we offer to create an institution such as this—so as to address any public concerns. The general performance of the organisation is outstanding. The need for a specific provider for the industry sector is something which we not only recognised but proposed and which we are now delivering.

The fourth point I want to make is in relation to the Senate amendment. I will address this more fully in the consideration in detail stage in a moment. Here I simply want to say that the government does not accept the amendment. It is neither legally workable nor desirable in practice.
In relation to the bill and summing up the government’s position, there are three very clear points. The first is that the Postal Industry Ombudsman Bill 2005 will establish a dedicated postal industry ombudsman within the Office of the Commonwealth Ombudsman and provide consumers with a recognisable, dedicated and independent entity to deal with complaints about the provision of postal services. Secondly, the PIO—Postal Industry Ombudsman—will have responsibility for investigating postal delivery services, including the receipt, processing and delivery of postal articles and the provision of courier services. Thirdly, the Postal Industry Ombudsman’s powers will complement the Commonwealth Ombudsman’s existing powers.

For all of those reasons, the government believes that this bill will be beneficial for Australian consumers, for small businesses and for private postal operators. With the amendment we are circulating, the bill will provide all consumers and operators with an avenue to more effectively resolve service disputes. I commend the bill to the House—subject to the government’s amendment, which will return it to its original form.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.03 pm)—I present a supplementary explanatory memorandum to the Postal Industry Ombudsman Bill 2005. I move government amendment (1) as circulated:

(1) Schedule 1, item 11, page 19 (line 32) to page 20 (line 5), omit subsection (2A).

In particular, I move that the Senate amendment to the Postal Industry Ombudsman Bill 2005 be disagreed to. The bill passed through the Senate in an amended form on 8 March 2005. The bill implements a government election commitment to establish a dedicated postal industry ombudsman—PIO—to investigate postal service complaints against Australia Post and other postal operators registered with the scheme.

The Senate amendment requires private postal operators with more than 20 employees and a turnover of more than $1 million to register with the PIO. While the government welcomes the Senate’s general support for establishing a PIO, the Senate amendment suggests that the Senate has not considered the most appropriate structure for the new scheme. State and territory offices of fair trading consulted during the drafting of the legislation have advised that only 37 complaints have ever been received about the postal services of private postal operators. This level of complaint is very low, particularly when compared with the 900 complaints handled annually by the Commonwealth Ombudsman about Australia Post and the approximately 60,000 complaints handled by the Telecommunications Industry Ombudsman about telecommunications providers.

In addition, it would appear that the Senate failed to amend all the proposed sections necessary to implement its proposal for introducing mandatory membership for some private postal operators into the PIO scheme. For example, the amended bill continues to provide for registered private postal operators to deregister at any time.
The government therefore opposes the Senate amendment, which it considers is an inappropriate response to the level of complaint in the industry and legally deficient and, therefore, a waste of resources for both business and taxpayers. In establishing the new scheme, the government conceded that it is important that the PIO structure balances the rights of consumers to independent arbitration against the level of complaint and the cost and complexity of implementing a new scheme. For that reason, the government believes that the original form of the bill, which provides for voluntary registration, is a more appropriate mechanism for private postal operators participating in the new scheme. Ultimately, the government amendment deletes the mandatory requirement, allowing the bill to revert to its original form. I commend the government amendment to the House.

Question agreed to.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with an amendment.

PROTECTION OF THE SEA (SHIPPING LEVY) AMENDMENT BILL 2005

Second Reading

Debate resumed from 18 August, on motion by Mr Truss:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (12.06 pm)—Today I rise to speak on the Protection of the Sea (Shipping Levy) Amendment Bill 2005 and move:

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

“whilst not declining to give the bill a second reading, the House condemns the Government for failing to uphold Australia’s national interest by adopting anti-Australian shipping policies that favour foreign vessels and crew, despite the risk to national security, Australian jobs, our trade performance and the natural environment”.

This bill amends the Protection of the Sea (Shipping Levy) Act 1981. The Protection of the Sea (Shipping Levy) Act 1981 enables the government to impose a levy to allow the Australian Maritime Safety Authority—AMSA—to administer the national plan to combat pollution of the sea by oil and other noxious and hazardous substances mentioned in the national plan. The maximum rate of the protection of the sea levy—the PSL—is currently set under this legislation at 6c per tonne of a ship’s tonnage, where a tonne is a unit of the net tonnage of that ship. However, the actual level of the PSL is currently set at just 3.3c per tonne of a ship’s tonnage and pays for equipment, training and contracted services to ensure preparedness and response to any ship-sourced oil or chemical pollution incident in Australia.

This bill removes the maximum level of the PSL, enabling the levy to be set by regulation. Its purpose is to allow for the extension of the levy to fund a national approach to maritime emergency towage while still continuing current activities in relation to the national plan. The need for a national approach to maritime emergency towage was identified in the June 2004 report of the House of Representatives Standing Committee on Transport and Regional Services entitled Ship salvage: inquiry into maritime salvage in Australian waters. In June last year, the committee tabled that report into the issue of ship salvage and emergency towage.

I would like to take this opportunity to recognise the former member for Bass, Michelle O’Byrne, for her hard work and her commitment to resolving this issue through that commit-
Michelle had a great interest in Australia’s maritime industry and in protecting Australia’s pristine marine environment. The committee report and, to some extent, this bill is in large part due to her commitment to those issues.

The committee inquiry was undertaken in response to a Productivity Commission report which recommended that the provision of these services at Australian ports be opened up to market forces. Evidence presented to the committee suggested that such an arrangement is likely to lead to an overall reduction in salvage and emergency towage capability. Australia simply cannot afford to take this risk. Imagine what could happen to our pristine coastline and marine environment if a large ship were involved in a maritime incident and there were no services available to deal with that situation.

The committee recommended that a number of actions be undertaken, and these are that the AMSA, in consultation with the industry, determine the most strategic placement for salvage capability at Australian ports; that additional revenue be raised to support the continued provision of salvage and that the cost be met through a three-way split between the industry, the state and the federal government; that the company which provides salvage capability be paid a subsidy to cover the costs incurred; and that the three-way funding arrangement be reviewed every three years. The findings of that inquiry were considered by the Australian Transport Council, who agreed in June 2005 to a national approach to emergency towage. Work is now under way to identify appropriate locations around the Australian coast. A TC agreed to the national scheme being on the basis of full cost recovery from the shipping industry via a national levy.

This bill puts that arrangement into place. Labor supports the principle of the bill, but it is now up to the government to put the ATC agreement into action and to make it work. The federal government needs to work closely with industry, unions and state governments to identify a number of strategic locations around the coastline and put arrangements in place as a matter of urgency to make sure that emergency towage capability is in place. Emergency towage and salvage are important services in terms of safety, security, environmental protection and economic considerations. Their availability is a matter of public good and cannot be left to chance.

Emergency towage operators must be given certainty. They must know what environment they are going to be operating in so that they can make appropriate investment decisions. The shipping industry must have certainty that there will be services available should they be required. People working in the often very dangerous maritime industry must be confident that their safety and security is also being protected. Finally, the Australian people must be confident that our pristine Australian coastline is being protected and that any unforeseen incidents on the high seas will not result in unnecessary damage to our marine environment.

Just consider for a moment the consequences of a ship running aground near the Great Barrier Reef and not having access to a quick and efficient emergency towage response. The worldwide shipping task is growing at an exponential rate, and Australia is a major user of shipping services for both international and domestic trade. This growth in trade will continue to grow. More and more ships will come into and through Australian waters and through our unique reefs.

It is an irony that worldwide improvements to ship safety and quality have seen the demand for emergency towage services decline over recent years—and this is something we should all
be grateful for, of course. However, this means that we need to adopt innovative solutions to ensure that these services do remain in place for when they are needed. You could describe it as a national insurance policy of sorts in relation to our coastline and our environment.

The government has indicated that the national approach to emergency towage will be rolled out in two stages. The first stage is the extension of the AMSA navigational aids contract to allow for a dedicated emergency towage service in the Torres Strait northern section of the Great Barrier Reef. The government has indicated that this service would be in place by July 2006, and it is vital that this timetable be maintained. The second stage would be the roll-out of emergency towage operations at strategic locations around the coastline. This too must be completed as a matter of priority.

AMSA has committed to consulting with the industry on the roll-out of the national emergency towage scheme, including on identifying the locations and in setting the level of the levy. This consultation is vital. Who else knows the maritime environment in this country better than the industry and the unions representing the people who work in that industry? I seek the minister’s commitment that this consultation process be open and inclusive and genuinely take into account the issues raised by the experts. All funds raised by the levy must be appropriated to AMSA and be used to deliver the services provided for.

The opposition notes that the levy applies uniformly to Australian and foreign flagged vessels. This is an important issue, particularly given the government’s wilful destruction of the Australian shipping industry and its acceptance of foreign flagged vessels on the Australian coast. Since coming to power nine long years ago, the Howard government has systematically destroyed the Australian shipping industry. It has openly encouraged the cheapest ships in the world to ply our coast. These ships undercut Australian vessels through low wages paid to crews, subsidies from foreign governments and the fact that they sit outside Australian law. Many of these ships operate in Australia with poor maintenance, low wages and substandard conditions for crews, with no regard for environmental or other standards.

Mr Danby—Ships of shame.

Mr RIPOLL—As the member for Melbourne Ports rightfully acknowledges and notes, the ships of shame. We all remember the report that was done on this, and this government should be ashamed of its record on the shipping industry.

By way of example, in June this year AMSA was successful in prosecuting the owners of the Panamanian flagged flag-of-convenience container ship Pacific Quest, which discharged oily waste into the Great Barrier Reef waters in 2002, creating an oil slick more than 70 kilometres long.

Mr Danby—Disgusting.

Mr RIPOLL—The member for Melbourne Ports is right again; it is absolutely disgusting and disgraceful that this could be allowed to happen in 2002, in the 21st century. Australia must do more. Australia has to do more. AMSA is to be commended for its actions in tracking down and making the case against this ship. The owners of this ship were fined $180,000, but the question remains: how many foreign ships operate in this way on the Australian coastline and are never detected?

In the pursuit of cheap shipping rates, the Howard government pays no regard to Australian jobs, the welfare of seafarers, the safety of others navigating Australian waters or the protec-
tion of our precious coastal environment; nor does the Prime Minister recognise the security risks that he is opening this country to. As the Leader of the Opposition, Kim Beazley, rightly pointed out recently in Gladstone, foreign flagged vessels are operating on the Australian coast carrying dangerous goods such as ammonium nitrate, and there is no way of effectively background checking the crews of these ships. Only last week an Antiguan flagged vessel with a predominantly Ukrainian crew carried 3,000 tonnes of the highly explosive ammonium nitrate between Newcastle and Gladstone. If the Howard government recognised that it is in the national interest for Australia to have a vibrant shipping industry, there would be no need for dangerous goods such as ammonium nitrate to be carried into and out of our cities on foreign flagged ships.

This House should condemn the government for failing to uphold Australia’s national interest by adopting anti-Australian shipping policies that favour foreign vessels and crew despite the risk to our national security, Australian jobs and the natural environment. I condemn the government for their policies and their lack of action in this area.

The DEPUTY SPEAKER (Mr Wilkie)—Is the amendment seconded?

Mr Danby—I second the amendment and reserve my right to speak at a later time.

Mr Rudd (Griffith) (12.17 pm)—There are a number of points I would like to make on the Protection of the Sea (Shipping Levy) Amendment Bill 2005. Specifically, a strong and viable international and domestic shipping industry is of vital importance to Australian business, our primary producers and our exporters. The strategic defence and security implications arising from a viable shipping industry cannot be underestimated. The government’s failure to support our shipping industry is in our view a national disgrace, undermining our trade and economic interests and threatening our security.

The suggestion by the Minister for Transport and Regional Services in his second reading speech on this bill that shipping is a vital service that supports Australia’s strong trade performance cannot be allowed to pass without correction to the record. There is no doubt that shipping is an extremely vital service to Australian business; however, I must draw the line at the minister’s suggestion that Australia is experiencing what he describes as being a strong trade performance. On the contrary. Australia is currently experiencing its worst trade performance since the end of the Second World War, despite the propitious trading conditions now occurring. That disastrous trade performance has contributed to our largest ever current account deficit and largest foreign debt of $430 billion. The Himalayan nature and proportion of our foreign debt exposes Australia to any sudden shifts in international financial market sentiments, thereby unnecessarily exposing us to the possibility of an external shock that could cause considerable damage to our economic prospects.

As mentioned before, this bill amends the Protection of the Sea (Shipping Levy) Act 1981 to remove the current cap on the rate of levy imposed on ships of 24 metres or more in length and having on board a quantity of 10 tonnes or more of oil in bulk. This levy is used to fund the national plan to combat pollution of the sea by oil and other noxious hazardous substances.

As noted by the Minister for Transport and Regional Services, the rationale for removing the 6c a tonne cap under the levy act is essentially twofold. The first part of the rationale relates to funding a potential future pollution spillage and the measures necessary to combat
such a spillage. The second stems from an agreement in principle by the Australian state and Northern Territory transport ministers in June of this year to introduce a national approach to maritime emergency towage around the Australian coastline. It is of course to be hoped that a major oil or chemical spill would not occur around our coastline. Such an incident would have the potential to do enormous damage to our World Heritage listed reef.

It is pleasing that a key element of the proposed national approach to emergency towage is the provisioning of a dedicated emergency towage service in the northern section of the Great Barrier Reef and the Torres Strait. Given the importance of the Great Barrier Reef to Australia’s tourism industry and the significant contribution it makes to the Queensland economy, these measures of course will assist in dealing with any contingency should it arise.

As I mentioned at the outset, a strong and viable international domestic shipping industry is of vital importance to Australian business, our primary producers and our exporters. Unfortunately, the government has undertaken actions which have led to the systematic destruction of Australia’s shipping industry. It has encouraged the cheapest ships in the world to ply the Australian coast. As Labor has repeatedly said, these ships are able to undercut Australian vessels through low wages paid to crews, subsidies from foreign governments and the fact that these vessels sit outside Australian law. Many of these ships operate in Australia with poor maintenance, low wages, substandard conditions for crews and no regard for environmental or other standards.

As the Leader of the Opposition noted last week, Labor is particularly concerned about the potential for foreign ships to operate in Australian coastal waters without adequate vetting and with the capacity to carry dangerous substances, especially ammonium nitrate. Ammonium nitrate was used by terrorists in the 1993 bombing of the World Trade Centre and in attacks on US embassies in Africa in the 1990s. In 2004, nearly 12,000 tonnes of ammonium nitrate was carried on the Australian coastline by foreign ships operating under permits with foreign crews. The amount of ammonium nitrate imported into Australia in the last five years has tripled. It is becoming clearer that Australian authorities have no way of checking the bona fides of these foreign crews.

An independent review of the government’s administration of coastal shipping licences and permits for foreign vessels undertaken by KPMG for the department found the system was in a shambles. The review found that one in six permits for foreign vessels was granted without assigned application. There were inadequate financial controls, meaning that the government may be unaware of fraud, errors or irregularities relating to permits. Data relating to one in five permits was incorrect. Current operating procedures did not reflect the existing regulatory regime. The government was in breach of the Navigation Regulations and ministerial guidelines on the regulation of coastal shipping by failing to establish if a licensed Australian vessel was available before issuing a permit to a foreign ship. These are serious flaws and we, as the alternative government of Australia, believe that these flaws need to be addressed.

As I noted before, Australia is currently experiencing its worst trade performance since the end of the Second World War. In answering his daily doro thy dixers on Australia’s trade performance, the Minister for Trade would have us believe that he has presided over a good trade performance. His monthly statements on the trade figures are, in a word, delusional. He maintains his pulp fiction that somehow you can defend Australia’s trade performance in terms of exports only, with no reference to ballooning imports. Does he think Australians do not under-
stand the real situation? We have recorded 45 monthly trade deficits in a row. Last year Australia recorded its largest ever annual trade deficit of $25.5 billion. That disastrous trade performance has contributed to our largest ever annual current account deficit of 6.7 per cent of GDP in 2004-05, which in turn has contributed to our largest ever foreign debt of $430 billion. That is more than $21,000 for every man, woman and child in Australia. The cost of servicing our debt continues to increase, and with record foreign debt come record interest rates.

Since the Howard government was elected to office in 1996, Australia’s net foreign debt has more than doubled, increasing from $193 billion to $430 billion. As a proportion of the economy, foreign debt has increased from 39.2 per cent of GDP in March 1996 to 50.2 per cent of GDP in the March quarter this year. Australia’s foreign debt is well above the debt of countries that have experienced major economic setbacks at difficult times, including Argentina and Russia. The United States is the only country with more foreign debt in dollar terms than Australia. On a per capita basis, that is more than $21,000 for every Australian man, woman and child. This doubling of Australia’s debt has occurred despite Mr Howard’s promises back in 1995 to bring foreign debt down. On 20 September 1995, he said to the House:

I can promise you that we will follow policies which will ... bring down the foreign debt ... our first priority, as Peter Costello and I have made repeatedly clear ... will be to tackle the current account deficit.

On 30 June 1995, Peter Costello said:

A high level of foreign debt also makes Australia more vulnerable and increasingly at the mercy of international financial markets.

They are his words, not ours. A high level of foreign debt does make Australia increasingly vulnerable to the mercy of international markets. But, rather than bringing our foreign debt down, as the Prime Minister promised and his Treasurer promised, in fact they have more than doubled it, as a result of Australia’s worst ever trade performance. It is our worst ever trade performance since the end of the Second World War, despite the best global economic growth and the best terms of trade in 30 years, along with record commodity prices. As Access Economics has said recently, this was the best global growth in a generation and it is passing us by—passing us by and what do we have to show for it? A record current account deficit and record debt.

As the Economist magazine warned last year, the clock is striking midnight on Australia’s boom. A downturn may not be far off. Only a complacent government would ignore these warnings. Only a complacent government would ignore the concerns of the IMF, which is running stress tests on the Australian economy to see how it would bear up in the event of an external or internal economic shock. These warnings must be heeded if we are to get Australia back onto a more sustainable economic growth path.

In its recent report, the Business Council of Australia expresses its concerns about the slowdown in Australia’s productivity growth—productivity growth, in our view, being the core to providing for sustainable long-term economic growth in Australia. The BCA report highlighted major areas for further reform including taxation, federal-state relations and infrastructure, as well as the critical need to address skill shortages. These are all key areas identified by Labor as requiring urgent attention.

The Victorian government has also released a related report, A third wave of national reform. It deals in part with these key strategic messages. That report goes on to highlight two
important areas requiring urgent federal attention—namely, forward-looking plans for infra-
structure of national significance and, secondly, increasing the quality and quantity of skilled
workers. In this area, Labor have a plan to address our skills shortage via our $2,000 trade
completion bonus to encourage Australians to complete training in skills which are in de-
mand.

Numerous reports from international bodies such as the IMF and OECD, from our own
policy makers such as the RBA, the ACCC and Treasury, and now more recently from the
BCA and the Victorian government point to the urgent need to press on with the agenda for
further economic reform in this country to ensure that the next level of productivity growth
required to maintain our international competitiveness is realised. It is only through increasing
our international competitiveness that we will be able to stay ahead of our competitors around
the world and place Australia securely in the domain of the world’s most prosperous econo-

Finally, in the light of our difficult trade performance I want to focus also on another area
of export for Australia: higher education services—specifically, the potentially adverse im-
pacts on the export of our higher education services that may arise from the government’s
extreme proposal to abolish student union fees. When last in government, Labor recognised
the potential for Australian universities to expand their operations by attracting foreign stu-
dents to study on our campuses. Australia has been in the business of educating a large num-
ber of foreign students for fees only over the last 20 years. During that time, the education
export sector has grown to $5.6 billion—our third largest export sector and ninth largest ex-
port overall.

Since the development of this new market, it is important to note the performance of re-
spective governments on education related exports. Under Labor, the average annual growth
of education exports was 22.2 per cent. Under the current government, the annual rate of
growth of education exports has fallen by more than a half, to 10.2 per cent, consistent with
the fall in Australian exports across the board under this government. This is simply not good
enough. If the Howard government has not already done enough damage to the education sec-
tor, its proposal to abolish up-front student union fees will more than likely do further damage
to our reputation and ability to attract high numbers of fee-paying students to Australia.

Under the national code of practice pertaining to providers of education and training to
overseas students, universities are required to provide a range of services to international stu-
dents. These services include welfare and counselling, as well as accommodation. The AVC
Committee is concerned that universities will no longer be able to provide such services for
overseas students, as a result of the government’s ideological obsession with abolishing stu-
dent union fees. The government’s legislation abolishing compulsory fees specifically states
that it applies to all persons enrolled with or seeking to enrol with a higher education provider.
This would seem to include the charging of service fees for international students. That will
create difficulties for universities in making available such services to overseas students and
funding them out of increased tuition fees, while not making such services available to the
general student population. Such is the concern of the Australian vice-chancellors that they
wrote in a submission to the Senate inquiry into the higher education bill that this will have a
profound impact on the sector and therefore the ability to maintain long-term exports from
that sector. Our inability to deal with this sector effectively as national policy makers further undermines Australia’s overall trade performance.

Our community needs to be aware that the government’s abolition of compulsory student union fees will not only dramatically undermine the services offered at universities for our own children but also reduce the attractiveness of Australian universities as a place to study for overseas students. Australia is the No. 3 English language destination for international students wanting to study abroad. In the markets of Singapore, Malaysia, Indonesia and Hong Kong, we are the No. 1 destination. For these reasons, it is important that the government address these matters if we are to bring about a sustainable increase in Australia’s overall trade performance.

Debate (on motion by Mr Martin Ferguson) adjourned.

ADJOURNMENT

Mr Baird (Cook) (12.30 pm)—I move:

That the Main Committee do now adjourn.

Israel: Gaza

Mr Danby (Melbourne Ports) (12.31 pm)—Predictions from various quarters that the Gaza disengagement would never happen or that it would lead to bloodshed or civil war have been proved wrong. As Martin Peretz wrote in the New Republic this week, ‘The civil war that had been widely feared turned out to be a lot of civil and very little war.’

Many people in Israel and the Jewish communities abroad opposed the withdrawal. Nathan Sharansky, an honest and sincere minister in the current Israeli government, a former heroic Soviet dissident, resigned from the Sharon cabinet saying he could not support the withdrawal. In my electorate, a great number of respected rabbis and other community leaders opposed the withdrawal. Although I respectfully disagree with their views, I acknowledge the sincerity and strength of their feelings and share their sadness that the intractable nature of the Israeli-Palestinian conflict should require such sacrifices from ordinary people.

The civilised and disciplined way in which nearly everyone in Israel on both sides of the dispute conducted themselves makes me proud to be an advocate for their cause. I will quote Martin Peretz again:

I was struck by the consistent intimacy of the population, even across bitter ideological lines. Words, not blows; and, in most cases, the arguments between soldiers and settlers ended with a hug, revealing the deep truth that the Jewish polis may be divided between messianism and realism, but is very much one.

I pay tribute to Prime Minister Sharon, who has reversed the politics of a lifetime and put the unity of his party and government at risk in the pursuit of a policy which he became convinced was necessary for peace. When a number of shadow ministers and I met him in May 2000, we were convinced that he was a pragmatist. It is true that the Gaza withdrawal is not intended as a prelude to a complete withdrawal from the 67 borders, as may be demanded, but Mr Sharon has never said that, nor is that the Israeli consensus. The arrangements implicit in the disengagement are not a ploy to prevent a permanent settlement of the dispute. Israel needs and wants a peace settlement, and Mr Sharon and the Israeli body politic know that. Yet, as former Labor Prime Minister Ehud Barak recently told the Guardian, there are a number of concessions for very important areas of settlement like Maale Adumim that were al-
ready agreed by the Palestinians at Camp David and are certainly part of the American understanding for the withdrawal from Gaza.

There needs to be some realism, however, about what the final settlement will look like. Arafat rejected the Barak-Clinton plan in Camp David, which offered the Palestinians 97 per cent of the West Bank. It will not be made again. Some of the West Bank settlements around Jerusalem would be incorporated under any future conceivable agreement. Unfortunately we are still seeing, despite the Gaza withdrawal, the Hamas capo in Gaza, Mahmoud Zahar, saying in the Arab daily Asharq Al-Awsat:

Neither the liberation of the Gaza Strip, nor the liberation of the West Bank or even Jerusalem will suffice us. Hamas will pursue the armed struggle until the liberation of all our lands.

That is precisely the kind of extremist response to the reasonableness of the withdrawal from Gaza that the world does not need. Any agreement for an Israeli withdrawal from the rest of the West Bank or parts of the West Bank and the establishment of a Palestinian state alongside Israel, which has always been Australia’s policy and has always been the policy of the Labor Party, must be accompanied by defensible borders for Israel, recognition of that state by Arab states and abandonment by the Palestinians of the so-called right of return for descendents who left in 1948. They will, as Professor Shlomo Avineri said, be welcomed in a Palestinian state alongside Israel.

We also have to see the end of the incitement to violence—which we see all around the world—which has serious consequences, and the anti-Semitism and conspiracy theories which currently take place in Palestinian state media and in schools. There has to be an effective crackdown by the Palestinian authority on Hamas or terrorist groups. No Israeli politician, not even Mr Sharon, will be able to persuade the Israeli public to accept a peace agreement which entails withdrawal from large parts of the West Bank—lands which, unlike Gaza, are historically part of the Jewish homeland, Eretz Israel—unless there is an end to suicide bombing and other forms of terrorist attacks.

The fence the Israelis have been building seems to be absolutely successful in achieving these ends unilaterally. We are likely to see more unilaterism until real agreements can be reached between both sides. We have had many fine words from Mr Abbas and other Palestinian leaders on this but so far not enough action. If Palestinians do not like the security fence and if they do not like a continued presence in the cities—and I understand that they do not like these things—they know what they need to do. There is a possibility of an end to this intractable conflict, but it requires both sides being reasonable. I think a tremendous step was undertaken by the Israeli consensus, led by a most unlikely person, and it ought to be reciprocated by the other side. *(Time expired)*

**Middle East: Israeli-Palestinian Conflict**

**Morris Inquiry**

**Mr SLIPPER** (Fisher) (12.36 pm)—I intend today to speak on some of the traumatic events in relation to the Queensland health system but before I do I would like to say how much I support the principle of a Middle East peace settlement. I often feel that the world judges Israel by Western standards but judges terrorist acts by Palestinian extremists by other standards, and I think that is extremely unfair. I have been to Israel. The Israeli people desire peace. I simply cannot understand why so many people are prepared to be suicide bombers
and destroy the lives of innocents in their opposition to a long and lasting peace. I know that the member for Melbourne Ports is deeply committed to peace in the Middle East, and I greatly respect the role he has taken in this place and elsewhere in matters concerning Israel and the Middle East more generally.

Today, however, I am not able to praise the Premier of Queensland in the way that I have praised the member for Melbourne Ports. No-one can deny that the Premier of Queensland is a very effective politician and that, as Premier, he has shown an incredible ability to garner votes election after election to make sure his Labor government is re-elected to office. However, it now seems that the wheels are starting to fall off the cart of the Queensland Labor government. When one looks at the on-again, off-again, on-again health inquiry, one notes that the Premier—and, more particularly, his government—appears to have lost touch. The member for Hinkler, who represents Bundaberg, must have spoken on many occasions with his constituents, some of whom were treated at Bundaberg Base Hospital—

Mr Neville—Abysmally.

Mr SLIPPER—Abysmally—and no doubt some of them were treated even by the infamous Dr Patel. It was a fairly scary situation, where nurses apparently were hiding patients from a doctor who was employed by the Queensland health department. I find it unbelievable that the Premier of Queensland thought it was acceptable to allow the Morris inquiry into the Queensland health system to end. I do not know Tony Morris personally, but I am aware of his sterling reputation as a lawyer. I thought the Premier showed great courage in appointing Tony Morris to head that inquiry, because it sent the right message to the people of Queensland—that, regardless of the political ramifications, at last the Queensland government accepted that what had gone on was unacceptable and that we needed to restore the Queensland health system to a state of health.

It is unfortunate that the Queensland Supreme Court shut down that inquiry. But I did find it amazing that the Queensland government for some time were not going to appeal the decision of Mr Justice Moynihan—they have not appealed it and I believe they should have—and they were going to allow that health inquiry to lapse. The member for Hinkler would be aware that it was people power in his electorate and more generally in the Queensland community which forced a backflip on the part of the Premier. Now we have retired Justice Davies picking up the cudgel, accepting a baton change. Hopefully, Geoff Davies as the commissioner will continue the excellent work started by Tony Morris.

I do not want to go into likely findings, because I do not want to prejudice the findings. But I have to say that, for people of Queensland, the daily revelations in the media of the appalling situation at Bundaberg Hospital and, we understand, at some other hospitals in Queensland, have brought about a crisis of confidence in the Queensland health system. It is good that Geoff Davies is now going to complete the work done by Tony Morris. Geoff Davies is a lawyer of great eminence. I hope that, for the sake of the victims, the people of Bundaberg, the people of Hinkler and the people of Queensland more generally, answers will be found so that never again will there be a repetition of the disgraceful events in Bundaberg. (Time expired)
Ms VAMVAKINOU (Calwell) (12.42 pm)—I want to speak today about an issue that is causing great concern in my electorate. It is largely as a result of recent comments by members of this House, with regard to young girls wearing hijabs, or headscarfs, at state schools. My initial concern when I read about the call to ban the hijab was that it is precisely these types of comments that cause division and inflame prejudices against Australian Muslims.

Unfortunately, only days after these comments my concerns were confirmed when a constituent of mine, Mr Rachid Malis, whom I met some years ago, came to see me with what he considered to be a very urgent matter. Rachid has lived here for over 20 years and he is the proud and devoted father of four Australian-born children, the youngest being severely disabled. He wanted to see me about an incident involving his eldest daughter, who studies a business course at the local TAFE where, a few days earlier, she had been attacked. She was surrounded by 10 men; she was sworn at and assaulted and her hijab was ripped from her head. Needless to say, his daughter no longer wants to go to school, because she feels persecuted and unsafe and is reluctant to leave the safety of her home. Rachid has asked me and asks this House: ‘What do I do? What if my children are harmed? What if I take matters into my own hands? Wouldn’t they then say that all Muslims are violent?’ Rachid’s feelings and reactions are typical of any parent, including me. The difference is that this Muslim father, who lives in this country and calls it home, has to face the fact that he and other members of his community are suddenly under such intense scrutiny and faced with such vilification that they are beginning to wonder what is happening to their neighbourhood.

As I move around my electorate in Melbourne’s northern suburbs, home to one of the highest number of Muslim Australians in the country, I am beginning to wonder the same thing. On a daily basis I see schoolgirls going to and from school, wearing hijabs but also wearing jeans and runners and behaving like every other kid in the street. Wearing the hijab to school does not interfere with their learning abilities, so why all the fuss? The question is: are we not, after all, a free and tolerant society?

When politicians seek to provoke the community by singling out for attack the traditions and cultural or religious practices of one group of Australians simply because it is the in thing to do at the moment then the fabric of our society is clearly in danger of being torn, with the potential for dangerous consequences. Rachid’s predicament is one example of those consequences, and there are many others.

I have a firm belief, on the basis of my own migrant experience, that Muslim Australians will in time integrate into the broader Australian community and that the education process will play a vital and key part in this integration. But when a child’s school environment becomes a place of taunts and attack, that child may be reluctant to attend our schools and our schools will be left to confront the legitimate concerns of parents, who will question the school’s ability to nurture and protect students—and all this over a headscarf.

The member for Mackellar recently described the headscarf as an ‘iconic symbol of adherence to Islam’. That may be the case, but that is also the case with other religious traditions. Catholic women could not enter church without wearing a veil and my own grandmother wore a black scarf all her life, consistent with Greek traditions of the time. Women throughout time have worn some form of headdress, across cultures and across religions, from the elaborate to the modest, from the sophisticated to the drab. Women have worn it to enhance beauty,
to conceal it, for modesty, to protect against the elements, for fashion and for tradition. Whatever the reason, women have always worn some form of headdress and we continue to wear it, each for our own reasons, and the question remains—so what?

I am heartened to hear that the Prime Minister and other members opposite have rejected the views of the members for Mackellar and Indi, who so carelessly spoke about banning hijabs in schools. Examples such as Rachid’s remind us that there are consequences for doing so. Rather than making divisive suggestions that single out Muslim schoolgirls for attack, the member for Indi and the member for Mackellar should have more confidence in the strength of the cohesive, multicultural society that they themselves have grown up in and, indeed, succeeded in. Likewise, the Australian Muslim community will find its own way through the natural progression of integration, but it will do it through our encouragement and our acceptance, not through our derision and rejection. We need to encourage and embrace newer communities. We need to accept their diversity and incorporate it into the broader diversity of the Australian community. To attack it, to reject it, to deride it, to look down upon it, to treat it with contempt, simply will encourage divisions and tear the fabric of our society.

Dr Jayant Patel

Mr NEVILLE (Hinkler) (12.46 pm)—During the last sittings the House debated the Health Insurance Amendment (Medical Specialists) Bill 2005, and it raised some matters of specific interest to me as the federal member for Bundaberg. The clear purpose of the bill was to cut the red tape involved in registering medical practitioners who seek to provide specialist or consultant physician services under the Medicare scheme. While the bill dealt solely with assessing applicants for the purpose of their patients being able to access Medicare rebates, I believe recent incidents involving Queensland Health point to the downfall of leaving loopholes in this health legislation.

We have all heard about the tragic debacle surrounding the registration and employment of Dr Jayant Patel by Queensland Health, a situation which holds a lesson for all of those drafting and enacting health legislation in both the federal and state arenas. Dr Patel was drafted into Queensland’s public health system under the areas of need scheme for overseas trained doctors, administered by the state government. He jumped through all the necessary hoops to gain registration as a medical officer. He was selected by an employer as being suitable for consideration as a medical officer, his written application and supplied documentation were approved, and he passed the provisions of Queensland’s Medical Practitioners Act.

After being appointed in this non-specialist capacity, he was then deemed by Queensland Health to be a surgeon, without reference to the Royal Australasian College of Surgeons or the Australian Medical Council, and was later appointed director of surgery at Bundaberg Base Hospital. Bear in mind that it is standard practice in Queensland for any doctor who wants to practise as a surgeon to be registered specifically as a surgeon, a process which involves assessment by the Royal Australasian College of Surgeons. In Dr Patel’s case, this did not happen. If it had, Dr Patel would have had to submit to a formal clinical supervision and reporting period which would have picked up the problems much sooner.

For over two years this man practised surgery. He operated on almost 900 people and achieved a 100 per cent complication rate for surgical implantation of catheters—an error rate 100 times that of general surgeons in this area. It was not until a whistleblower nurse approached The Nationals member for Burnett, Rob Messenger, that Dr Patel’s atrocious prac-
practices became apparent and sparked the now defunct Queensland hospital royal commission of inquiry.

The inquiry shed light on such overwhelming numbers of poor medical and administrative practices that one can scarcely believe it. But perhaps the worst by far is the fact that this doctor managed to fudge his way into the Bundaberg surgical wards by simply omitting one piece of paperwork. In 2000, Dr Patel had been disciplined by the Oregon Board of Medical Examiners for negligence involving surgical patients and was restricted from performing surgery involving pancreas and liver resections. He was also struck off the roster of physicians in the state of New York in 2001 because he had violated the conditions imposed in Oregon.

Just how did this surgeon of limited competence, arrogance and cavalier practices come to be wielding the scalpel in Queensland? It was simply because he chose to withhold one piece of paperwork, a certificate of good standing, which should have alerted the board to the disciplinary action having been taken against him in the United States. It was that simple.

The Queensland health service is riddled with bureaucracy and secrecy. It is inward-looking, gazing at its navel. Because of this, the very simple measures that were picked up by a Courier-Mail journalist could not be picked up with this huge bureaucracy—the fact that Dr Patel deceived the whole health system by removing one sheet of paper. I welcome the announcement today that Mr Tony Morris has made a submission to the House of Representatives Standing Committee on Health and Ageing. I understand he has also undertaken to give evidence to that committee, which I warmly welcome.

Victory in the Pacific

Mr RUDD (Griffith) (12.51 pm)—My purpose in addressing the parliament today is to honour the contribution of many of Brisbane’s war veterans in our recent commemoration of the 60th anniversary of World War II. As part of our local commemorations, I hosted a ceremony on 15 August to present medallions to local veterans and their families. I would like to use this opportunity in the parliament today to honour their contribution to our country and to our community.

The Victory in the Pacific medallion presentation ceremony was co-hosted by the Colmslie RSL sub-branch as well as the Greek club in South Brisbane. The Colmslie RSL sub-branch, under the leadership of its president, Mr Ernie Adsett, has been active in the Morningside area for decades and every year organises the march from Bulimba Library to memorial park on Anzac Day. I thank Ernie, the committee and the members of the Colmslie RSL for their assistance with the ceremony.

Over 250 south-side residents attended the ceremony to celebrate the efforts of our local veterans. I was joined in honouring our veterans by Lieutenant-Colonel Anthony Anetts, commanding officer of the Bulimba Barracks, and local counsellors Shayne Sutton and Catherine Bermingham. Over 80 veterans received specially made commemorative medallions and were entertained by the Brisbane State High School symphonic band under the direction of their conductor, Bradley Ruben. Also attending the ceremony and assisting with the presentation were cadets from the Anglican Church Grammar School in East Brisbane. I thank both schools for their contributions.

It is important to note the contribution that Brisbane’s war veterans have made to our community and our country. The city of Brisbane played a vital role in Australia’s defence
during the Second World War, serving as headquarters for General Douglas MacArthur, and none of us in this parliament will forget the Brisbane Line. After the war, many of Queensland’s returned soldiers and their families built their homes on Brisbane’s south side, particularly in the areas around Coorparoo, Bulimba, Morningside, Greenslopes, Cannon Hill, Fairfield and Annerley, leaving a permanent mark on the development and character of many of the suburbs of Brisbane’s south side. Over the last 60 years these veterans and their families have continued to serve our community through their volunteer work and participation in local community groups.

The south side is home to a number of RSLs and service groups, who have ensured that the legacy and sacrifice of Australia’s veterans are remembered. These include the Cannon Hill District and Vietnam Services RSL, the Coorparoo and Districts RSL, the Hellenic RSL, the Holland Park-Mount Gravatt RSL, Ithaca and South Brisbane RSL, National Servicemen’s RSL, the Norman Park RSL, Stevens RSL and Yeronga-Dutton Park RSL.

Also in attendance at the ceremony on 15 August were the Friends of Balmoral Cemetery. Friends of Balmoral Cemetery were formed in 2001 with the mission of preserving the history of the Balmoral Cemetery. Balmoral Cemetery is one of the oldest cemeteries in Brisbane and plays a vital part in the history of our city. The cemetery is the burial ground for veterans from more than 26 military units, from all three services, spanning wars back to the Boer War. Under the leadership of their president, Kelvin Johnson, and their secretary, Betty Sinden, Friends of Balmoral Cemetery have been working on preparing a heritage trail. This trail will record the history of the lifestyle and times of Brisbane’s south-eastern suburbs during the Second World War and will be a major contribution to our local history.

The work carried out by Friends of Balmoral Cemetery is important because it highlights that other major theatre of operations during the Second World War: the home front. With almost a million men in uniform, Australian women faced new challenges and new pressures. The Second World War highlighted, however, the ingenuity of Australian women on the home front in coping with wartime shortages, food rationing and the rationing of clothing. Thousands of women worked on the land in the Women’s Land Army and worked in factories and other essential services. Thousands more women contributed to the war effort through voluntary service, particularly with the Red Cross.

On top of this, Australian women dealt with the full brunt of rationing in all areas of life, with items such as stockings and soaps simply unavailable and other items such as tea and meat heavily rationed. In honouring our veterans I also want to honour the sacrifices made by these Australian women and their families on the home front. Their cheerfulness, resourcefulness, courage and dogged resistance at a very difficult time in Australia’s history represent a true testimony to the Australian spirit. The sacrifice of our veterans in the service of our nation protected the rights and freedoms that we enjoy today. The challenge for future generations will be to ensure that they never lose sight of that sacrifice. I am confident that they never will.

I take this opportunity again in the parliament to recognise formally the contribution of those veterans whom we honoured at the 60th commemorative celebrations in my local area for the end of the Pacific war. I seek leave of the Main Committee to table a list of the names of those who participated as representatives of the local veterans community.

Leave granted.
Mr BILLSON (Dunkley—Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs) (12.57 pm)—Today I draw to the House’s attention something that I have discussed previously on a number of occasions. It is the issue of the abuse and misuse of alcohol and drugs in our community and the toolkit that we have available as a community to tackle these problems to help young people, and in some cases mature aged people, to make better choices and get on a better pathway for their future lives. I think that toolkit needs to be enhanced.

It is particularly evident in Victoria that there is a need for additional resources. Some years ago I instigated the Dunkley drugs strategy and we pursued a number of initiatives aimed at trying to capture young people when they were showing early signs of a risk that they might get into an alcohol or drug dependent kind of lifestyle, so that we could work with them to show that there is a world of delicious possibilities out there and that alcohol abuse and drug use were going to deny them an opportunity to be a part of those wonderful chances that still sat before them in their lives.

A number of things have happened since then. The federal government has funded a credit scheme in our Magistrates Court where there is an option for the sentencing magistrate to work with local drug and alcohol service providers and put to a person who may be facing a period of detention in a jail the option of being involved in a program that seeks to address some alcohol and drug related issues that contributed to their offences.

We have also put in place some programs for young people to be involved in community arts and other activities to show that you can have a great time and live life to the max without having to be attracted to alcohol abuse and drug use.

There has also been some important work that I have advocated for some time in doing a stocktake, a needs analysis of the kinds of services and support that are available for our region. My contention was that there was a missing piece. The missing piece was the option of a residential rehabilitation and detoxification facility. One of the great failures of the state government of Victoria, and one not sufficiently spoken about, is that for some reason it seems not to be attracted to supporting residential facilities. Yet we know through our own experience in meeting with families, seeing parents contend with one or a number of kids who may have an alcohol abuse or drug use problem, that without the option of changing gears, of actually hopping out of the lifestyle and the influences that in part contributed to poor choices about drug and alcohol use, and without being able to move into a different space, a different environment where other options can be canvassed, it is very difficult to break that cycle because the influences that led to the problem in the first place are still there.

A parent faced with two or three adolescent children, one of whom has lost their way, has to contend with not only the hardship and challenges at a family level of that individual but the ramifications upon the whole family, which can be profound. You can have a young person climbing the wall as they come off a hit, somebody who needs to be constantly supervised, to the detriment of their siblings. They may even be parents themselves, and what do we do to make sure that the children of an abuser of alcohol and drugs are getting support and being looked after?
There is a glaring gap in Victoria: an appalling lack of residential detox and rehabilitation beds. To give an example, in Victoria there are fewer than 200 such beds compared to 800-plus in New South Wales. It should not be like winning lotto to get into one of these beds. We know when a person is emotionally and intellectually prepared to challenge themselves and their circumstances to get their life on a more positive pathway, and we need to be there to provide that help. We know that, if people are not emotionally committed to making those changes, we cannot force them on them. But, when they are ready to make those changes, it behoves us to make sure that that opportunity is there.

Analysis that was funded by the Howard government and conducted by Turning Point, a research company that has been very involved in this field for many years, identified what I intuitively knew to be true: the lack of access to a residential detox and rehabilitation facility is a great missing link; that services that operate in an outpatients model need somewhere for people to go. I am putting forward a proposal to the Commonwealth that I hope the Commonwealth will support. We need this facility. We need this facility because it gives young people, parents, mature aged people a chance to make better choices. We will know in that six- to eight-week window whether people are emotionally prepared, and we should look at that short-term strategy as a way of providing those beds.

Main Committee adjourned at 1.02 pm
QUESTIONS IN WRITING

Social Compass Consulting
(Question No. 1734)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 22 June 2005:

(1) Is the Minister aware that the department entered into a contract with Social Compass Consulting on 1 June 2005.

(2) What are the services being provided under this contract.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) and (2) In March 2005 proposals were sought by the Office of the Registrar of Aboriginal Corporations to undertake an Impact Assessment of the corporate governance training pilot program in Queensland. In June 2005, Social Compass Consulting was chosen as the successful tenderer after assessing the proposal against set selection criteria.

The purpose of the contract is to demonstrate what impact the Registrar of Aboriginal Corporations’ corporate governance training has had on program graduates and the boards/governing committees and/or corporations which graduates represent. As part of this, the Impact Assessment will assess the social, environmental, cultural and economic impacts, if any, that:

- individual participants experienced as a result of the training undertaken; and
- corporation boards/governing committees and/or corporations as a whole experienced as a result of training undertaken by board members, members and key staff of their organisations.

The results of the Impact Assessment will inform future policy and training practice for Indigenous corporations.

Ahmed Omar Saeed Sheikh
(Question No. 2045)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 11 August 2005:

(1) Is he aware that Ahmed Omar Saeed Sheikh, a dual British-Pakistani citizen, has been convicted in a Hyderabad court for the murder of Wall St Journal journalist, Mr Daniel Pearl.

(2) Is he able to say whether Ahmed Omar Saeed Sheikh was arraigned on or before 17 July 2002.

(3) Is he aware that Ahmed Omar Saeed Sheikh has appealed to the High Court of Pakistan against the death sentence imposed by a lower court and that there have been 32 adjournments in the case since 2002.

(4) Can he confirm press reports that Ahmed Omar Saeed Sheikh keeps in touch with his friends and followers in Pakistan and Britain and advises them on future courses of action including ways of retaliating against the alleged desecration of the Quran at Guantanamo Bay and assassination attempts against Pakistani President Pervez Musharraf.

(5) Can he confirm the report by Mr B. Raman (a retired Additional Secretary of the Cabinet Secretariat of the Government of India) that there are grounds to suspect that the London bombings of 7 July were orchestrated by Ahmed Omar Saeed Sheikh from his prison cell in Pakistan.

(6) Does the apparent failure of Pakistani courts to seriously prosecute Ahmed Omar Saeed Sheikh contradict the sentiments expressed by President Pervez Musharraf during his state visit to Australia in June 2005.
(7) Has the Government made or will the Government make representations to the Pakistani Government to encourage the Pakistani judicial process to reach a speedy conclusion of the trial of Ahmed Omar Saeed Sheikh.

(8) Will the Government make representations to the Pakistani Government to encourage it to take action to restrict Ahmed Omar Saeed Sheikh’s ability to coordinate, instruct and advise Islamist terrorists from attacking Britain, Australia and elsewhere.

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

(1) Yes.

(2) Yes.

(3) I am aware of reports that Ahmed Omar Saeed Sheikh has appealed his sentence and reports that there have been 32 adjournments.

(4) No.

(5) No.

(6) I have been very impressed with the work that President Musharraf and his Government have done in the war against terrorism. Pakistan has been robust, and the President himself has been personally very courageous in the measures he has taken to deal with terrorism.

(7) In the circumstances, it would not be appropriate for Australia to make representations to the Pakistani Government in relation to the timing of criminal proceedings in Pakistan for a person who is not an Australian national. This could be seen as an attempt to intervene in the judicial process, or as encouragement for the Pakistani government to do so, and as prejudicing the trial.

(8) Counter-terrorism cooperation and dialogue form an important element of our relations with Pakistan. As part of that dialogue, Australia acknowledges and encourages continued Pakistan government action against terrorist groups and individuals. Were we to have any information that Ahmed Omar Saeed Sheikh was involved in terrorist acts, the Government would take appropriate action. As indicated in question 5, Ahmed Omar Saeed Sheikh remains in prison.

Parenting Payment
(Question No. 2061)

Mr Jenkins asked the Minister for Employment and Workplace Relations, in writing, on 16 August 2005:

How many parenting payment single recipients reside in (a) Victoria and the postcode area (b) 3074, (c) 3075, (d) 3076, (e) 3082, (f) 3083, (g) 3087, (h) 3088, (i) 3089, (j) 3090, (k) 3091, and (l) 3752.

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

The number of recipients on Parenting Payment (Single) (PPS) in Victoria at June 2005 was 100,334. The number of recipients on PPS by selected postcodes at June 2005 is listed in the table below:

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<th>Postcode</th>
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Notes:
All cells containing numbers between 1 and 19 inclusive have been changed to display “<20”. This rule has been employed for privacy reasons.

All data supplied is point in time data. This means that the data is reflective of the point in time when the snapshot was taken. All snapshot data is taken at a particular fortnight within a particular month or quarter depending on the data source.