SENATE

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FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE SENATE
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Thursday, 9 March 2000

NOTICES

Presentation

Senator Allison to move, on the next day of sitting:

That the Senate—

(a) notes that:

(i) new hybrid electric drivetrain will be fitted into a functioning motor car, aXcessaustralia LEV, by the middle of 2000,

(ii) it is predicted that the car will halve motorists’ fuel bills,

(iii) the car should also slash city air pollution, and

(iv) Australia is one of only ten countries in the world that can style, design, engineer and manufacture most components of the modern car, therefore allowing Australia a unique export market;

(b) congratulates the Commonwealth Scientific and Industrial Research Organisation and CMC Power Systems for their work on the hybrid electric drivetrain;

(c) encourage the Government to continue funding this project and other projects that will reduce air pollution; and

(d) encourages Federal parliamentarians to view the car when it is launched late May 2000.

Senator Harris to move, on the next day of sitting:

That the Northern Prawn Fishery Amendment Management Plan 1999 (No. NPF 02), made under subsection 20(1) of the Fisheries Management Act 1991, be disallowed.

Senator Hogg to move, on the next day of sitting:

That the Senate notes that:

(a) it is 32 days since former Senator Parer resigned as a senator for the State of Queensland;

(b) the Queensland Liberal Party has said that it will not select a replacement for Senator Parer until 30 April 2000, another 49 days (a total of 81 days since Senator Parer’s resignation); and

(c) at the Queensland Liberal Party’s request, the Queensland State Parliament will not be asked to appoint a replacement for Senator Parer until 16 May 2000 (a total of 97 days since Senator Parer’s resignation);

(d) the day of swearing-in of the successor to Senator Parer would be 5 June 2000 at the earliest (a total of 117 days since Senator Parer’s resignation); and

(e) the people of the State of Queensland have been denied their full Senate representation by the lethargy of the Queensland Liberal Party in appointing a successor to Senator Parer.

Senator Allison to move, on the next day of sitting:

That the Senate—

(a) notes that:

(i) the Formula 1 Grand Prix held in Albert Park, Melbourne, on the weekend of 11 and 12 March 2000, has in 4 years used $100 million of public money that could have been diverted to Victoria’s hospitals, schools or public transport,

(ii) the race broadcasts a pro-tobacco message to millions of viewers worldwide, and

(iii) Government contracts with the organisers and between statutory authorities, in particular the levels of taxpayer subsidy, are shrouded in secrecy;

(b) condemns the Minister for Health and Aged Care (Dr Wooldridge) for granting the event an exemption from the ban on tobacco advertising, despite an annual 18 000 smoking-related deaths in Australia; and

(c) urges the Government to retract this exemption.

Senator Allison to move, on the next day of sitting:

That the following matters be referred to the Environment, Communications, Information Technology and the Arts References Committee for inquiry and report by 8 June 2000:

(a) the likely social effects on rural and regional communities of Telstra staff reductions over the next 2 years;

(b) the likely impact of Telstra job cuts on telecommunications and data service levels for rural and regional communities; and
(c) the likely impact on the digital divide between rural and city telecommunication users.

Senator CALVERT (Tasmania) (9.33 a.m.)—On behalf of Senator Coonan and the Standing Committee on Regulations and Ordinances, I give notice that 15 sitting days after today Senator Coonan will move that the Northern Prawn Fishery Amendment Management Plan 1999 No. NPF02, made under subsection 20(1) of the Fisheries Management Act 1991, be disallowed. I seek leave to incorporate in Hansard a short summary of the matters raised by the committee.

Leave granted.

The document read as follows—

Northern Prawn Fishery Amendment Management Plan 1999 (No NPF 02) made under subsection 20(1) of the Fisheries Management Act 1991

The amendment to the Plan changes the method of controlling fishing in the Fishery from one based on boat dimensions to one based on catching capacity.

The Committee sought advice from the Minister on the following matters:

whether it is more appropriate for this matter to be dealt with by parliamentary enactment rather than regulation;

the extent to which, as indicated in the Regulation Impact Statement, some fishers will be more proportionally disadvantaged than others and the impact on the viability of their fishing operations;

the extent of the consultation process, including the participation of individual fishers; and

whether the Plan may trespass unduly on personal rights and liberties and, in particular, whether the instrument which affects a person's livelihood and ability to carry on a business is fair.

TREE CLEARING IN QUEENSLAND

Senator HILL (South Australia—Minister for the Environment and Heritage) (9.33 a.m.)—I seek leave to make a short statement regarding an order of the Senate.

Leave granted.

Senator HILL—On Tuesday the Senate passed an order that the government table an ABARE report on the costs of land clearing in Queensland. The document was ordered to be tabled yesterday. It has not been tabled because the government is still seeking advice on whether it is appropriate that it be tabled. I expect that matter to be resolved before the Senate meets next week and, therefore, the document will either be tabled early next week or, alternatively, I will be making a statement why it will not be tabled.

NOTICES

Presentation

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.33 a.m.)—I give notice that on the next day of sitting I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Timor Gap Treaty (Transitional Arrangements) Bill 2000 allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during this sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2000 AUTUMN SITTINGS TIMOR GAP TREATY (TRANSITIONAL ARRANGEMENTS) BILL

The purpose of the Timor Gap Treaty (Transitional Arrangements) Bill is to enable amendment of the Petroleum (Australia-Indonesia Zone of Cooperation) Act 1990 and related Acts (listed below) to reflect the change in Australia’s Treaty partner from Indonesia to the United Nations Transitional Administration in East Timor (UNTAET). Although there has been a change in Treaty partner, the rights and obligations under the Treaty remain the same. In most cases, the amendments will be relatively minor. However, some amendments will be more extensive, for example, those relating to the application of the criminal law.

Acts needing consequential amendment are:

Crimes at Sea Act 1979
Crimes at Sea Act 2000
Customs Act 1901
Fringe Benefits Tax Assessment Act 1986
Income Tax Assessment Act 1936
Migration Act 1958
Passenger Movement Charge Act 1978
Reasons for the urgency

Indonesia does not have sovereign rights in the area covered by the Timor Gap Treaty following the establishment by the United Nations, on 26 October 1999, of the United Nations Transitional Administration in East Timor (UNT AET) as the overall legislative and executive authority in East Timor. Thus, in order for petroleum operations in the Zone of Cooperation to continue, it was necessary to transfer Indonesia’s rights and obligations under the Timor Gap Treaty to UNT AET, acting on behalf of East Timor. In addition, it was important to effectively maintain the current Treaty provisions in order to secure continued petroleum industry investment in the Timor Gap Zone of Cooperation.

UNT AET agreed to become the treaty partner with Australia on 10 February, following approval by the Federal Executive Council to enter into the Agreement. The arrangements will apply retroactively from 26 October 1999. Importantly, all the rights and obligations under the Treaty with Indonesia remained the same when the UNT AET/Australia Treaty came into force.

It is the Government’s normal practice to have necessary legislation in place before a treaty comes into force. This was not possible in the case of the Agreement between Australia and UNT AET. There was an urgent need for the Treaty to enter into force to provide continuity and certainty for existing and future commercial operators in the Zone of Cooperation, as well as to provide an early flow of revenue to UNT AET. This need outweighed any benefits from delaying the entry into force of the new Agreement to allow time for passage of the relevant legislation. Enactment will contribute further to investor certainty, including through the provisions validating actions of the Ministerial Council and the Joint Authority since 26 October 1999. It will also enable the continuing application to activities in the Zone of a range of Australian taxation, customs, immigration, crime and quarantine laws.

(Circulated by authority of the Minister for Industry, Science and Resources).

Senator CALVERT (Tasmania) (9.34 a.m.)—On behalf of Senator Coonan and the Standing Committee on Regulations and Ordinances, I give notice that 15 sitting days after today Senator Coonan shall move that the Export Control Fees Amendment Orders 1999 (No. 4), made under regulation 3 of the Export Control Orders Regulations 1982, be disallowed, and I seek leave to incorporate in Hansard a short summary of the matters raised by the committee.

Leave granted.

The document read as follows—

Export Control (Fees) Amendment Orders 1999 (No. 4) made under regulation 3 of the Export Control (Orders) Regulations 1982

The Orders increase the charges for export documentation from $12 to $25. The effect of the Order is to more than double the fees with no indication in the Explanatory Statement of the reason for this increase, nor of the length of time since the last increase of these fees.

BUSINESS

Government Business

Motion (by Senator Ian Campbell)—by leave—agreed to:

That the following government business orders be considered from 12.45 pm till not later than 2 pm this day:

No. 5—Gladstone Power Station Agreement (Repeal) Bill 1999
No. 6—Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999
No. 7—Therapeutic Goods Amendment Bill 1999

General Business

Motion (by Senator Ian Campbell)—by leave—agreed to:

That the order of general business for consideration today be as follows:

(1) General business notice of motion No. 451 relating to financial and telecommunications services for rural Australia.
(2) Consideration of government documents.

NOTICES

Postponement

Motion (by Senator Calvert) agreed to:

That business of the Senate order of the day no. 2 relating to the presentation of a report by the Economics References Committee on the operation of the Australian Taxation Office be postponed until a later hour of the day.

Items of business were postponed as follows:
General business notice of motion no. 440 standing in the name of Senator Bartlett for today, relating to immigration, postponed till 14 March 2000.

General business notice of motion no. 444 standing in the name of Senator Stott Despoja for today, relating to genetic privacy, postponed till 14 March 2000.

General business notice of motion no. 441 standing in the name of Senator Allison for today, relating to Telstra’s Bendigo and Morwell Call Centres, postponed till 13 March 2000.

General business notice of motion no. 445 standing in the name of Senator Woodley for today, relating to Australian Women in Agriculture, postponed till 13 March 2000.

General business notice of motion no. 446 standing in the name of Senator Stott Despoja for today, relating to female representation in parliaments, postponed till 13 March 2000.

General business notice of motion no. 448 standing in the name of Senator Allison for today, relating to sterilisation of women with an intellectual disability, postponed till 13 March 2000.

General business notice of motion no. 450 standing in the name of Senator Greig for today, relating to mandatory sentencing, postponed till 13 March 2000.

NUCLEAR NON-PROLIFERATION TREATY REVIEW CONFERENCE

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.36 a.m.)—I ask that general business notice of motion No. 434 standing in my name for today relating to the forthcoming Nuclear Non-Proliferation Treaty Review Conference, be taken as a formal motion.

Leave not granted.

Suspension of Standing Orders

Motion (by Senator Cook, at the request of Senator Faulkner) proposed:

That so much of the standing orders be suspended as would prevent Senator Faulkner moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 434.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.38 a.m.)—I would ideally like to be able to quote speeches made by the opposition whip, Senator Kerry O’Brien, on 10 March, 31 March, 29 September, 30 September, 12 October and 23 November of last year where the opposition made very clear what has developed as a strong policy—and Senator Brown would be very well aware of this policy of the opposition—which is to not pass detailed foreign policy motions through the Senate unless they have unanimous support. I think that is the policy. I am sure Senator O’Brien will be able to elucidate on this tactical or strategic decision of the opposition in this chamber.

The opposition have made it clear on at least six occasions in the last 12 months that they will not support motions of a detailed foreign policy nature to pass through this chamber with what is effectively a tick and a flick and have refused Senator Brown on at least five of those six occasions formality for those motions. I am not sure how Senator Brown will now vote in relation to what is a very detailed motion put forward by Senator Cook to be dealt with by formality, a motion that—to use the Australian Labor Party opposition’s position on this issue—is far more appropriate to be debated in detail on a Thursday afternoon. I would imagine this is by far the most suitable time, where you do get at least a couple of hours usually to get detailed debates where senators can contribute to what is without any doubt—we will not disagree with Senator Cook on this issue—an issue that remains one of the most important to face mankind, as it has for really all of the years since the late 1940s.

I have got detailed briefing notes on the coalition’s position on the detail of the motion, but it is inappropriate on the actual suspension motion itself to go into that. But I think the Senate deserves an explanation by certainly the government whip.

The PRESIDENT—Opposition.

Senator IAN CAMPBELL—The opposition whip; I do not think the government
whip would be capable of explaining the 180 degree turn.

Senator Calvert—I could have a go at it.

Senator IAN CAMPBELL—There may be a good explanation, which we are happy to hear. There may well be a good explanation—I genuinely look forward to hearing that—as to why the Australian Labor Party would seem to be contradicting a policy that has been clearly stated in this chamber on at least six occasions that I have been able to find at short notice. So that is why we would oppose the time of the chamber being taken up with a debate not only on the motion but also on the suspension motion, particularly when it could have easily been nominated as a general business item for this afternoon.

Senator O’BRIEN (Tasmania) (9.41 a.m.)—I would like to respond to the invitation from the Manager of Government Business in the Senate, Senator Campbell. Senator Campbell has been in this place much longer than I have and I presume understands the forms of this place better, given that he is Manager of Government Business. I presume he would therefore know that a general business motion is not debated as a matter of formality. Whilst I agree with part of his recitation as to our policy, what he should understand is that we do not have a means of guaranteeing that this matter will actually be voted upon expeditiously unless we go through the process of asking for formality, as has been done this morning. The fact that the government has denied formality allows, as has been done this morning. The fact that the government has denied formality allows for it to be debated. But where we are seeking to pursue a motion it is entirely consistent with our policy to ask that it be debated. The government has denied formality. It will be debated. It is a foreign affairs motion. So there is absolutely nothing inconsistent with the actions this morning and our stated policy.

I understood that the government would oppose this motion today and Senator Cook has proceeded to the point that we are now at in seeking suspension. I will not detail the reasons for urgency, because I do not understand that the urgency motion is in fact opposed; I am simply responding to Senator Campbell’s request for me to detail our position. As I have explained, this is absolutely consistent with Labor’s position in relation to foreign affairs motions.

Senator BROWN (Tasmania) (9.43 a.m.)—Labor is muddle-headed and is back to front over its policy of discussing matters which have international flavour or import. It does persistently block me and Democrats members when we bring forward matters such as West Papua, Tibet, Burma and so on, but here we have a matter of international importance which Labor wants debated, and I am going to support it because when they lapse from doing the wrong thing into doing the right thing they deserve to get support. But it is important that Labor reviews its position regarding the debate on foreign affairs and matters of international importance, which are all important things for the Senate to debate. The last thing that needs to be said about this is it is very high-handed of Labor to believe that it should be able to debate matters like this when it wants to but other members of the Senate should not be able to. That is inconsistent and it is wrong.

Senator ROBERT RAY (Victoria) (9.45 a.m.)—Many people have been quoted in this debate today, but the authoritative source on the Labor Party’s attitude was a statement made by John Faulkner. Because all the subsequent debates have been shorthanded debates, no-one has gone back to the basic tenets that we laid out at that stage. The basic tenet was that we did not believe motions on foreign affairs criticising sovereign nations should go through undebated. Senator Brown has listed several here today, all of which may be good causes but all of which are motions going to the behaviour of other governments. For this chamber to carry those motions with that debate is untenable. Yes, we did take the stand. The government, of course, basically agrees with us, but we had to take the initiative—they would not. That is basically the fact—we had to do it. But at that time, as I recall, John Faulkner pointed out that motions recognising anniversaries, international conferences and treaties would be exempted. If you look at the record, they have been exempted. The only difficulty with this motion is that it probably covers them both a little, although it does not directly interfere with or directly criticise actions of
sovereign governments. If it did it, we acknowledge that it would have to be debated in full.

We are not saying that we will not move such motions as Senator Brown has been talking about. We will not have those motions requested to be declared formal without debate. This motion, however, falls into a different category. It acknowledges treaties and what is happening in the UN and it reaffirms previously stated views. As such, it does qualify on the grounds that we have put it forward. So I repeat: our attitude to debating foreign affairs matters in this chamber is that if they involve serious matters, especially to do with criticism of other governments—which usually means that we send them our resolution and they respond—they must be debated. It is not that they should not be put through and that they should not be carried: it is that they should be debated in this chamber. But we always support motions relating to treaties, United Nations activities and anniversaries reaffirming what has previously been carried in this chamber. What we, of course, often have here is 'stuntism'—that is, motions moved every day of the week because someone has 'limelightitis'. That is what we want to head off.

We want to head off the half-hour gratis debate by grandstanders which has nothing to do with urgency but everything to do with the substance of the motion. That is why we took this particular position. It is wasting the Senate’s time and also misrepresenting the Senate’s position when the resolution does go overseas. Not everyone overseas understands the Byzantine nature of this place. They take us more seriously than we do. When the Senate carries a motion they think, ‘Gosh, this impinges on our relationship with Australia.’ That misunderstands the relationship between the parliament and the executive. That is why we resist some of these motions and why we will not allow the devices of the Senate to be misused. But do not misrepresent our original position. It is not the position put in shorthand explanations in suspension debates; it was the original statement of principle that Senator Faulkner put down in this chamber. This motion happens to be consistent with that statement. The only difficulty and grey area with such a long motion is that you can pick a line or two out that maybe just switches over into the other category. But, overwhelmingly, it fits the category of resolutions that Senator Faulkner put down. In any event, we are not going to be abrogating our principles today. It was not declared formal, so it now meets all our criteria and let’s get on with the debate.

Question resolved in the affirmative.

Procedural Motion

Motion (by Senator Cook) agreed to:

That general business notice of motion No. 434 standing in the name of Senator Cook for today, relating to the Nuclear Non-Proliferation Review Conference, may be moved immediately and have precedence over all other business today till determined.

Motion

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.50 a.m.)—I move:

(1) That the Senate—

(a) notes:

(i) the Nuclear Non-Proliferation Treaty (NPT) Review Conference will be held at the United Nations (UN) in New York from 24 April to 19 May 2000, and
(ii) the declaration of the UN Secretary-General (Mr Kofi Annan) in February 2000 that the nuclear disarmament and non-proliferation agenda is in a state of ‘deplorable stagnation’, that it is difficult to approach the NPT Review Conference with optimism ‘given the discouraging list of nuclear disarmament measures in suspense, negotiations not initiated and opportunities not taken’, and that a dangerous nuclear arms race ‘looms on the horizon’;

(b) recalls:

(i) the conclusion of the Canberra Commission on the Elimination of Nuclear Weapons that, ‘The proposition that nuclear weapons can be retained in perpetuity and never used — accidentally or by decision — defies credibility’ and that ‘the only complete defence is the elimination of nuclear weapons and assurance that they will never be produced again’, and
(ii) the commission’s observations that, ‘Nuclear weapons are held by a handful of states which insist that these weapons...
provide unique security benefits, and yet reserve uniquely to themselves the right to own them. The situation is highly discriminatory and thus unstable; it cannot be sustained. The possession of nuclear weapon by any state is a constant stimulus to other states to acquire them";

(c) notes the unanimous finding of the International Court of Justice in its 1996 Advisory Opinion that, “There exists a clear obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control”;

(d) affirms that the nuclear weapon states have an obligation to fulfil promptly their undertaking under Article VI of the NPT to pursue negotiations in good faith to eliminate their nuclear arsenals;

(e) in the light of the above, urges that the nuclear weapon states reject the indefinite possession of nuclear weapons and policies based on their possession, unequivocally commit to the elimination of all nuclear weapons, and agree to start work immediately on the practical steps and negotiations required to achieve this goal;

(f) calls on all parties at the NPT Review Conference to urge the nuclear weapon states to commence and bring to the earliest possible conclusion negotiations to bring about the verifiable elimination of nuclear weapons and the full safeguarding of militarily-useable nuclear material; and

(g) urges that the practical steps toward nuclear disarmament outlined by the commission and the Tokyo Forum for Nuclear Non-Proliferation and Disarmament, and advocated by the New Agenda Coalition of non-nuclear weapon states, be used as a basis for immediate negotiations and action.

2) That the text of this resolution be conveyed to the UN Secretary-General, to the Presidents of the UN Security Council and General Assembly, to the Chairperson of the NPT Review Conference, to the Presidents, Prime Ministers and Foreign Ministers of the United States, Russia, China, the United Kingdom, France, India, Pakistan, and Israel, and to the foreign ministers of all non-nuclear weapon NPT signatory states.

This is a substantive motion on a very important subject. I draw the chamber’s attention to the terms of the motion, which are set out on pages 6 and 7 of the Senate Notice Paper of today. Every five years, the Nuclear Non-Proliferation Treaty comes up for review by the countries which have signed it. This is the treaty which provides the primary international bulwark against the dangers of nuclear proliferation. With more than 180 signatures, the NPT is nearly universal—only India, Pakistan, Israel and Cuba stand outside its membership. At the heart of the NPT is a fundamental bargain between the five nuclear weapons states, as they were in 1968—the United States, Russia, China, the United Kingdom and France—and the non-nuclear weapons states. Under the treaty, the nuclear weapons states undertake to work towards the elimination of their nuclear arsenals and the non-nuclear weapons states undertake not to obtain or seek to obtain nuclear weapons capabilities.

Over more than 30 years the NPT has made a tremendously important contribution to international peace and security. In 1995 the NPT signatories agreed to extend the duration of the treaty indefinitely and endorsed a statement of principles and objectives on nuclear non-proliferation and disarmament to serve as a yardstick against which to measure the progressive implementation of the treaty. Measures contained in the statement of objectives and principles included the adoption and entry into force of the Comprehensive Nuclear Test Ban Treaty, conclusion of negotiations on a fissile material cut-off treaty and the determined pursuit of efforts to reduce nuclear arsenals, with the ultimate goal of eliminating them.

The 2000 NPT Review Conference will consider how well these objectives have been met and what more needs to be done to further the cause of nuclear disarmament and non-proliferation. The past five years have certainly been less than encouraging, with India’s and Pakistan’s nuclear tests and unresolved questions about North Korea’s nuclear program being only parts of the overall problem. Few if any observers are optimistic about the prospects for the NPT Review Conference.

Writing in the Washington Post newspaper last month, former US President Jimmy Carter observed that the world is facing nothing less than a nuclear crisis, saying:
It is almost universally conceded that none of these commitments [on nuclear disarmament] has been honoured. ... For the first time I can remember, no series of summit meetings is under way or in preparation to seek further cuts in nuclear arsenals. The START 11 treaty concluded seven years ago by Presidents George Bush and Boris Yeltsin has not been seriously considered for ratification by the Russian parliament.

Instead of moving away from reliance on nuclear arsenals since the end of the Cold War, both the United States and NATO have sent disturbing signals to other nations by declaring that these weapons are still the cornerstone of Western security policy, and both have re-emphasised that they will not comply with a ‘no first use’ policy. Russia has reacted to this U.S. and NATO policy by rejecting its previous ‘no first use’ commitment; strapped for funds and unable to maintain its conventional forces of submarines, tanks, artillery, and troops, it is now much more likely to rely on its nuclear arsenal.

The United States, NATO and others still maintain arsenals of tactical nuclear weapons, including up to 200 nuclear weapons in Western Europe. ... American and Russian nuclear missiles are still maintained in a ‘hair-trigger alert’ status, susceptible to being launched in a spur-of-the-moment crisis or even by accident.

After years of intense negotiation, recent rejection by the U.S. Senate of the Comprehensive Test Ban Treaty was a serious blow to global nuclear control efforts and to confidence in American leadership. There is a notable lack of enforcement of the excessively weak international agreements against transfer of fissile materials.

The prospective adoption by the United States of a limited ‘Star Wars’ missile defence system has already led Russia, China and other nations to declare that this would abrogate the Anti-Ballistic Missile Treaty, which has prevailed since 1972. This could destroy the fabric of existing international agreements among the major powers.

This is former President Carter’s assessment. It is a sobering assessment indeed—and one shared by a large number of informed commentators. According to the most recent figures compiled by Carnegie Endowment for International Peace, the arsenals of the nuclear weapon states still exceed 35,000 warheads. Although the nuclear weapon states point to significant progress in nuclear disarmament over the past 10 years—and we must not ignore the progress that has been made since the end of the Cold War—one cannot avoid the conclusion that progress has largely stalled. There appears to be little political will to overcome the current impasse, let alone carry through on the nuclear weapon states’ clear obligation to pursue in good faith negotiations leading to nuclear disarmament.

The potential longer-term danger arising from this situation was made clear by the report of last year’s Tokyo Forum for Nuclear Non-Proliferation and Disarmament which warned that ‘the fabric of international security is showing signs of unravelling’. The fabric is indeed beginning to tear. Bilateral nuclear accords between the United States and Russia have eroded and domestic divides in both countries greatly complicate repair efforts. As a result the Strategic Arms Reduction and Anti-Ballistic Missile Treaties are at risk.

Multilateral constraints on nuclear proliferation are also in danger of compromise. As the UN Under Secretary-General for Disarmament Affairs, Jayantha Dhanapala, warned last November:

... if the failure of current nuclear weapon states to make substantial progress in achieving nuclear disarmament continues indefinitely, I fear that the global consensus about the taboo of nuclear weapons proliferation may gradually break down, as more countries may reconsider their nuclear options.

India and Pakistan have of course already used the failure of the original five nuclear weapon states to implement NPT disarmament obligations as justification, very dubious and self-serving though it is, for their own self-declared nuclear status.

Leadership from non-nuclear middle powers, especially Australia, is vital to help rebuild momentum towards nuclear disarmament. Regrettably, however, the Howard government has effectively abandoned Australia’s previous leading role on nuclear disarmament issues. Four and a half years ago the Keating Labor government established the Canberra Commission on the Elimination of Nuclear Weapons. The commission’s report made a critical contribution to arguments for both the desirability and feasibility of the absolute elimination, not just reduction, of the world’s nuclear weapons. Despite this, the Howard government made only token
efforts to promote the work of the commission before abandoning any advocacy of efforts to achieve a nuclear weapon free world.

In June 1998 a group of middle powers—including Ireland, Brazil, Sweden, Egypt, South Africa and New Zealand, but conspicuously not Australia—launched a major international initiative based explicitly on the work of the Canberra Commission. The efforts of the New Agenda Coalition led to the adoption in November 1998 and again last November of a UN General Assembly resolution, the centrepiece of which is a call on the nuclear weapon states to give an unequivocal undertaking to move to eliminate their nuclear arsenals and accelerate negotiations to fulfil their obligation to achieve nuclear disarmament.

Other elements of the New Agenda Resolution include calls for the United States and Russia to bring the START II Treaty into force without further delay; the reduction of tactical nuclear weapons with a view to their elimination; de-alerting strategic nuclear weapons and removal of nuclear warheads from delivery vehicles; taking steps toward the integration of all nuclear weapon states into the disarmament process; strengthening of International Atomic Energy Agency safeguards; immediate and unconditional ratification of the CTBT; and the prompt negotiation of a treaty banning production of fissile material for nuclear weapons.

These measures have enjoyed the strong support of successive Australian governments. Yet the Howard government refused to join New Zealand and the other members of the New Agenda Coalition and abstained in the vote on the New Agenda Resolution in both 1998 and 1999. For good measure, in October last year the Minister for Foreign Affairs, Mr Downer, rejected suggestions that the nuclear weapon states were failing to live up to their nuclear disarmament obligations, saying:

This is the message of the New Agenda coalition ... The Australian Government does not accept this proposition.

The Howard government simply ‘does not accept’, Mr Downer said, the contention that new momentum needs to be injected into the nuclear disarmament process. This year will be critical for progress towards nuclear disarmament. We still hope for a strengthening of international prohibitions on weapons of mass destruction.

The NPT review conference is likely to be very difficult. The continuing impasse over entry into force of the START II Treaty and prospective decisions regarding the deployment of a National Missile Defence system by the United States raise serious concerns about the future of the START process and the prospects of further strategic nuclear arms reductions. China has already indicated that it is likely to respond to the deployment of NMD by increasing its strategic nuclear arsenal. Entry into force of the CTBT appears far away, and the negotiations on a fissile material cut-off treaty remain stalled in the Conference on Disarmament.

These circumstances, the dangers of which have been highlighted by no less a figure than a UN Secretary-General, require an urgent review of Australia’s nuclear disarmament policies. My colleague the shadow minister for foreign affairs has repeatedly called on the government to rethink its approach. Australia should be giving leadership. We should be putting all our efforts into breaking the impasse on nuclear disarmament, not sitting on the sidelines apologising for the nuclear weapon states. Australia’s own national security deserves much better.

Labor’s motion today draws its inspiration directly from the Canberra Commission. It provides the opportunity for Australia to again give some international leadership in this vital area. Labor commends the motion to the Senate.
Labor show a breathtaking disregard for their own statements in the past on whether the Senate should debate these motions and a breathtaking disregard for the actions of the Australian government and previous Australian governments in the area of promoting debate on and progress in the reduction of nuclear weapons around the globe. I am incredulous. Today, Senator Peter Cook first read out an extraordinarily long motion—which is probably outside standing orders, because it is too long—word for word. Someone, probably over in Mr Brereton’s office, typed out a turgid speech for him, and Senator Cook came in here with no enthusiasm and read it, in dulcet tones, word for word—again, in contravention of standing orders. I might say, however, that any senator who gets up and draws attention to the standing order on reading speeches gets told that the senator in question was probably reading from copious notes. Senator Cook was not reading from copious notes: he was reading a speech prepared by someone other than him, and it was quite pathetic.

If the Labor Party want to find a ‘third way’, a new age or a new agenda on foreign policy, they are going to have to try a little bit harder. They should perhaps try to find someone other than failed Keating and Hawke government ministers to lead them to a new policy era. We have opposite a failed trade minister who is trying to reinvent himself. He is trying hard, as he always does, and I respect him for that. Then there is the failed branch stacker from the New South Wales Labor Right, who was a disastrous industrial relations minister, trying to reinvent himself as shadow minister for foreign affairs. He has got himself in all sorts of mess and muck on East Timor and every other issue he has touched. Now he has Senator Peter Cook from the Centre Left faction standing up here with a turgid, pathetic and weak speech saying, ‘Let’s find some sort of new agenda.’ They are saying that Minister Downer is not doing enough or that Australia is on the sidelines; they know in their own hearts that is not even true. I do not even know why we are here today.

Senator Ray, another failed minister, wants to rewrite the Labor Party’s policy on foreign policy debates in the Senate. He says, ‘If it’s to do with foreign governments, and if it’s going to send the motion overseas and it could be misinterpreted by other governments, then we’re opposed to those sorts of stunts.’ But what is Senator Ray supporting? We have a stunt here. What is going to happen with this motion if it is passed? To quote the motion at part (2):

That the text of this resolution be conveyed to the UN Secretary-General, to the Presidents of the UN Security Council and General Assembly, to the Chairperson of the NPT Review Conference, to the Presidents, Prime Ministers and Foreign Ministers of the United States, Russia, China, the United Kingdom, France, India, Pakistan and Israel ...

I do not think Senator Ray actually read that bit. It is a foreign policy motion. And what did Senator Faulkner say about the Labor Party’s views on debating foreign policy motions in this place? I quote Senator Faulkner from the Senate Hansard of 27 May 1998:

In cases where there is not unanimous agreement on such motions, the opposition will not be agreeing to formality. We take the view that foreign policy motions—that is, not only ones that deal with other nations or anything else but all foreign policy motions—should not be decided without debate.

Senator Faulkner then goes on in other Hansards to say that the motion—and you can try to slice credibility thin, as Senator O’Brien did earlier, and say this is a way of creating debate—

Senator O’Brien—You’re struggling now.

Senator IAN CAMPBELL—I am not struggling, because the issue is the motion for the matter to take precedence over all other items of business. Senator Brown will remember this better than I because he has had it stuck up him by the Labor Party at least five times in the last 12 months. That is the issue, Senator Brown, isn’t it? They say, ‘Sorry, it is an important motion,’ and pat you on the head and say, ‘This is all very important but you can do this at another time.’ But it is different when it suits them, when they want to do what Senator Ray calls a bit of limelight seeking, when they want to move a motion to send this message to all these dif-
ferrn people around the world from the Australian Senate—to use Senator Ray’s words again—with all its Byzantine ways. They send this around and then misinterpret what Australia is doing on these issues. They muddy the waters internationally.

So you have got the government, the foreign affairs department, the foreign minister and the Prime Minister out there taking a very clear position on nuclear disarmament around the world, working hard at it and being undermined by an opposition that is short on talent, short on ideas and flailing around trying to find a new way. They have got Mr Latham out looking for the third way and they have got Mr Brereton on his scooter picking up ballot papers and running around in between trying to do foreign affairs work, making an absolute fool of himself internationally and in Australia on just about every foreign policy motion he has even come near.

I still do not know why Senator Cook has come in here and read this pathetic piece of speech. It would be a great travesty for Australia as a nation to have its position on nuclear disarmament—an important issue—represented because this motion has been passed in a relatively short debate here in the Senate, which was done by suspending standing orders. I am quite angry about it. I hope that is understood. It really is one of the low points in the Australian Labor Party’s policy history. It reflects what they are doing on tax policy: one day they do not like the GST, the next day they adopt it as policy and say they will take the GST.

In the Australian this morning you probably have got the bloke who should be the opposition foreign affairs spokesman. I cannot remember his name. He used to work in foreign affairs. Senator Cook will not nominate him; he will not help me in this. But this man wrote a very interesting article debating the Labor Party’s policies on how they would implement the GST. Kevin Rudd—I have got it. Thanks for your help, Senator Cook! Kevin Rudd is probably the bloke who should be the foreign affairs spokesman for the Labor Party. He is prepared to do some thinking. He is clearly doing some constructive work on defining the clearer terms of the Labor Party’s GST policy, which is they have already signed on to it. Mr Rudd is having a constructive public debate with Mr Latham about the direction of Labor’s GST policy. I think Mr Rudd could certainly bring a fresh mind—not potentially fresh ideas, because he has obviously spent a lot of time in foreign affairs in the past—and a fresh approach to foreign affairs policy for the Australian Labor Party. You, Mr Acting Deputy President Hogg, could probably use your influence within the Australian Labor Party’s caucus to look at a reshuffle of the frontbench and see if Mr Rudd could not be pushed up into that job and replace the tired old faces of Brereton and Cook in that foreign affairs and trade area.

To get to the detail of Senator Cook’s proposition, we cannot in the government allow this view that Australia is standing on the sidelines. Australia is a leading nation in this debate. We are, as all senators would respect, not a world power, but we are a very well-respected middle power. We have always brought to this debate—I think it is fair to say under both recent governments—a lot more leverage than the size of our nation or our strategic size would ever have you believe that we could.

The government is committed to making progress towards a world free of nuclear weapons. The government believes that the best way to pursue this is bilaterally between the US and Russia through the START process. We do regularly urge both of those powers to ratify START II and we regularly at all levels of our diplomatic contact with both of those nations encourage them to begin negotiations on START III. It clearly makes no sense—and this is what is so frustrating about Senator Cook’s intervention in the debate this morning—to present these countries with demands and unrealistic timeframes for disarmament which they have already clearly rejected.

If you have got a lever in the international world, you use it effectively otherwise you keep pulling on the lever and it bends and you have got no more leverage. If Russia and the United States have clearly rejected these demands, do you keep making them over and over again, do you pass a resolution every day saying that is the case or do you find
some other use for your respect in the international community to move it towards the Australian government’s objective, which is a world free of nuclear weapons? That is not to say that nuclear disarmament cannot be a plurilateral issue. Clearly when the US and Russia reduced their stockpiles to levels which are comparable with other recognised nuclear weapons states this was recognised, as Senator Cook has indicated, by the Canberra Commission.

The draw-down of nuclear weapons must also take place in a stable and verifiable manner, and the excess fissile material must be satisfactorily disposed of. I think any practically minded person would understand that, if you seek to rush the process, you will destabilise it and there could be potentially dangerous consequences. The issue of what you do with the disposed and excess fissile material is one of the most crucial issues. You do not raise that issue to say, ‘Look, let’s delay the process, let’s talk about it.’ It is a serious issue, and I think Senator Cook and the Labor Party would respect that; certainly when they were in government they did so.

The main onus must be with the US and Russia, but there are very important reinforcing steps that we can take. Australia does remain, as I have said, at the forefront of attempts to reinforce the nuclear non-proliferation regime and, therefore, create an enabling environment for disarmament. I will give three examples of how we do that. We have pushed hard for an immediate start to negotiations on a treaty to ban the production of fissile material for nuclear weapons; we have made numerous representations urging ratification of the Comprehensive Nuclear Test Ban Treaty; and we are working hard for a successful Nuclear Non-Proliferation Treaty review conference in April of this year.

The New Agenda Coalition’s aims are understood by the government, but it offers no compelling insights into how nuclear disarmament can be taken forward. But, of course, none of the nuclear weapon states support the New Agenda Coalition, nor does Canada, nor does Japan, nor do any of the United States-European allies. So you have to ask the Brereton-Cook coalition, the old Labor policy coalition, whether they think their political weight or the weight in the world can be used to sway it when all of that alignment of our allies, our friends in the world, do not support it. Perhaps they have greater faith in their own capability and ability and international weight than do others.

So I conclude by saying that calling for a new agenda does imply that the existing non-proliferation regime has failed. The government do not believe that this contention is helpful to progressing talks in April, we do not believe that it is helpful in progressing the agenda that Australia supports and we do not believe that it is the case. Australia will pursue vigorously our position on delivering a nuclear-free world, but we will do so with eyes that are wide open, not eyes that are looking all over the place trying to find a road map, confused, probably jaded and needing reinvigoration.

I suggest to the Senate that we think carefully about passing this motion. It does have significant consequences. I believe that it was an unhelpful decision for the Senate—I do not reflect on that vote—to bring it on by using a suspension of standing orders. It is an important debate. But I believe that to pass it now and have this, as part (2) of the motion says, then conveyed to the international community and key stakeholders in the nuclear non-proliferation and nuclear disarmament debate would be counterproductive to Australia’s efforts. I am sure that Senator Brown and the Democrats would agree with the sentiments of the motion. But I do ask them to think very carefully about the impact of this motion and about what Australia is doing at the moment and whether this would help us to achieve the aim which I think we all share, or whether it would be detrimental.

Senator BROWN (Tasmania) (4.04 p.m.)—Let me make it clear from the outset that, when the Labor Party does the right thing, on behalf of the Greens I will be supporting it. On this occasion it has lapsed into doing the right thing procedurally. Let me make it clear that I do not go along with the idea that the executive in this country is the sole arbiter of the nation’s approach to global affairs. That is not the case when it comes to economic matters, which are debated fre-
quent in this chamber, and it ought not to be the case when it comes to matters as important as nuclear weapons. We have a responsibility as the elected parliament, as a chamber of the elected parliament, to make our views clear about how the world is working or not working and to state it.

We have just heard a speech where, in effect, the government is saying, ‘Let’s abrogate our responsibility as an independent nation on matters of nuclear weapons to what might be the position of the American government’—which is one, I might add, of almighty stonewalling and lack of progress towards the elimination of nuclear weapons. But, if we look at the American system, Congress repeatedly makes different decisions from those of the presidency on matters of global affairs. Therefore, is it so wrong for us in this parliament to make deliberations about how we think Australia should act in world affairs? Of course it is not—not least in the Senate which, to a degree, is modelled on the American system. This idea that in some way or other we should be mute when it comes to matters of international affairs is muddle headed, and both the big parties need to review it.

That having been said, I congratulate the Labor Party on bringing forward this very, very important motion. To follow up on what the Manager of Government Business in the Senate had to say, if this is a reflection of new thinking coming out of Mr Brereton’s office or anywhere else, I congratulate them; it is a great step forward. Also, one needs to know that Australians will support it as well. Australians want to get rid of nuclear weapons from the world for the future of their children and their children’s children, in the same way they have wanted to get rid of chemical weapons and a whole range of armaments that cause death, injury and suffering and which potentially are a threat to life on earth. I note that an opinion poll taken in Australia 18 months ago showed that 92 per cent of the people want the government to help negotiate a nuclear weapons convention such as the one that got rid of chemical weapons. So is that not a lead to backing this motion?

This motion effectively says, ‘Let’s have Australia take a stronger position in getting to zero nuclear weapons.’ A review of the non-proliferation treaty will take place in New York from 24 April to 19 May. This is a very timely opportunity for the Senate to say, ‘We back those at that conference who are moving with determination to get rid of nuclear weapons from the world. We want the Australian government to take a lead instead of sitting back in the traces and saying this is a matter for Russia and the United States.’ Of course it is not a matter for Russia and the United States. To say that is simply to say that this is a matter for the corporations which build the nuclear weapons or which are involved in the nuclear weapons cycle and have so much to gain by keeping the nuclear weapons cycle going in the United States and the other interests in Russia going. Or it is to say that this is a matter of the national hubris of those two countries which comes in front of world peace and a movement towards a society where the threat of nuclear weapons is eliminated.

Senator Cook has made the compelling point that, while ever the club of nations which has nuclear weapons insists on keeping them, inevitably we are moving towards the enlargement of that club, other nuclear states being created, other countries taking up the debate as to whether or not they should have nuclear weapons and inevitably some of them becoming nuclear weapon states. We have seen, since the last discussion of the non-proliferation treaty, India and Pakistan testing nuclear weapons. Why have they done that? Because Russia and the United States, along with Britain, France, China, Israel and other nuclear states, have not done the groundwork in moving towards the elimination of their own weapons stockpiles.

Inherently, the Howard government supports that position. It cannot have it both ways. It cannot oppose a motion like this from the Labor opposition which sensibly says, ‘Let’s put Australia’s weight behind the elimination of nuclear weapons,’ and then say that it is in favour of that process as such. It cannot abrogate Australia’s role in joining other nations moving towards the elimination of nuclear weapons and at the same time say
that we have to leave this to Russia and the United States. If it is left to Russia and the United States, we are never going to see the elimination of nuclear weapons. There are self-interested players behind those weapons stockpiles who are going to ensure that those governments, left to their own devices, will hang on to their nuclear arsenals.

Despite all the changes of the last decade we are in this crazy situation where there are still thousands of nuclear weapons on rockets aimed at humanity, aimed at the world’s population, aimed at the living fabric of the planet’s living entity. They would be able to kill the world’s population many times over. Are we, as sensible, rational representatives of the people who want freedom from fear for their children and their children’s children, simply going to shrug our shoulders and say that we will leave that situation to parliaments, to presidents or to dictators around the world? Of course not. We have to become active players. We have to move with this opportunity coming up in New York to take a strong stand for action to override the inactivity and the self-interest of the nuclear club and stand outside it, be independent and not be tied to the apron strings of the United States and its particular self-interest in the matter.

Geoffrey Barker, writing in the *Australian Financial Review* on Monday, 28 February, had this to say:

Five years ago the last NPT review conference agreed to extend the treaty provided the Big Five nuclear powers—the US, Russia, Britain, France and China—took steps to adopt the 1996 comprehensive test ban treaty, concluded negotiations on a Fissile Material Cut-Off Treaty and pursued efforts to reduce and ultimately eliminate nuclear arsenals.

None of those things has happened.

Our Australian government is supporting governments who are in the business of doing nothing. Here is the choice in this motion: either we get behind a very important Labor initiative to have Australia at the forefront of getting rid of nuclear weapons in the world or, against popular feeling in this country, we back this government in doing nothing and abrogating its responsibility to Moscow and Washington. That is not what the Australian people want. The Greens support this motion.

**Senator ALLISON** (Victoria) (10.28 a.m.)—I indicate that the Democrats also support this motion. I want to pick up on a couple of the comments that Senator Campbell made. Saying that we are passing resolutions every day on this issue is, to say the least, a gross overstatement.

**Senator Ian Campbell**—I didn’t say that.

**Senator ALLISON**—You did, Senator Campbell. You said, ‘What are we going to do—pass resolutions every day?’ We have not been doing this in this place. This is a very significant matter. The NPT review begins in six or seven weeks time. The reason this has come before the Senate, in my view, is that some of us are a little concerned about the government’s position on this. We have heard nothing about who will go to New York, what Australia’s position will be and what opportunities it will adopt to be persuasive in regard to nuclear disarmament.

I do not think this motion has the dire consequences that Senator Campbell suggests. I do not believe there is any harm at all in doing this. I agree with Senator Brown that it is important that the Senate is able to send messages so that other world powers understand that in this country there is massive, overwhelming support for nuclear disarmament—92 per cent. Every time we have a survey on this question, the vast majority of Australians say we must disarm and we must disarm with some urgency.

The Cold War ended about 10 years ago, but there is still, obviously, a very long way to go before we are rid of weapons capable of destroying every person on this planet many times over. In fact, events of the last two years indicate that the crisis in nuclear disarmament has deepened, and that is why this is urgent.

The framework for the second Strategic Arms Reduction Treaty, START II, was signed by Russia and the US in 1993 and is due to limit the warheads to 3,500 for both nuclear states by the year 2003. The US Senate ratified START II four years ago but the Russian Duma still has not done so. NATO’s expansion eastward and the Balkan interven-
tion have strained relations between the US and Russia and China and undoubtedly set back ratification of START II by the Duma.

In the conference on disarmament the only progress in the last five years has been the decision to set up an ad hoc committee to negotiate a ban on the production of fissile material for nuclear weapons, but this committee has not yet been convened. Senator Campbell says that the stockpile of fissile material is a matter between Russia and the US. Russia is said to have enough fissile material to build 120,000 nuclear explosives and the US has enough to build 80,000. On current stocks, Britain could build another 4,000; France, 3,000; China, 3,000; Israel, 100; India, 80; and Pakistan, 20 nuclear explosives. This is not a matter that can be left simply to negotiations between the US and Russia.

There are still no disarmament negotiations taking place to deal with the thousands of tactical nuclear weapons in the world, even though these are the ones that are most likely to be used in regional conflicts. As I speak today, there are 5,000 nuclear missiles pointed at major cities in the world and on what is known as hair-trigger alert. Of course most of those weapons are part of the arsenals of Russia and the US, who between them still have around 30,000 nuclear weapons.

On 1 January this year we faced the changeover from 1999 to 2000 uncertain about whether or not the computers which controlled the functions of those missiles, particularly in Russia, were equipped to handle Y2K, as it is known. Russia’s early warning and nuclear command systems have been deteriorating for many years, and Y2K might well have thrust us into a global nuclear war and neither power was prepared to remove that risk by taking their missiles off hair-trigger alert even while the computers were clocking over. Now, 1 January passed and there was not an incident of that sort, fortunately, but that does not mean we are safe from the possibility of accidental nuclear weapons.

In May 1998, India carried out five nuclear tests, and Pakistan followed these with its own tests. The Indian Prime Minister argued that the refusal by the nuclear weapons states to fulfil their obligations under the non-proliferation treaty was a continuing threat to India, forcing it to carry out its own tests. The failure of the US Senate to ratify the Comprehensive Nuclear Test Ban Treaty is said by many to represent an unravelling of the nuclear non-proliferation efforts worldwide. In October last year, 52 countries sponsored a new agenda coalition resolution in the hope of reinvigorating our nuclear disarmament agenda and galvanising the international community to push for the eradication of nuclear weapons.

Another reason for us supporting this motion is that, as we all know, there were 111, I believe, votes for the new agenda and just 13 against and Australia abstained. Senator Campbell says that Canada did not vote for it and that makes it all right. But there was overwhelming support for the new agenda and Australia did not take the lead. Senator Campbell says that Australia is a leading nation in this debate, but it chose to stand back in that instance.

As a region I think we need to bear in mind that limiting and eventually eliminating nuclear weapons is a very slow process indeed, but political change can happen overnight. Last year saw a serious deterioration in relations between India and Pakistan. India itself was not so long ago a very strong proponent of the elimination of nuclear weapons. Nehru and Indira and Rajiv Gandhi all spoke out against the proliferation of nuclear weapons. India and Pakistan both had the technology to build nuclear weapons for more than a decade but chose not to do so until quite recently. They have become nuclear weapon states in spite of the fact that polls in India after the tests showed that 73 per cent of Indians oppose making or using nuclear weapons.

In Australia, as I said earlier, the opposition to nuclear weapons is more than 90 per cent, yet the military and some ministers in this country wanted nuclear weapons back as recently as the 1950s and 1960s, and perhaps they still do. Back then Australia was not successful in buying nuclear weapons from the UK or the US, as it wanted to. It did, however, allow the British to test their weap-
ons here and it did allow the US to set up bases in Australia, thereby tying Australia to the nuclear arms race for the foreseeable future.

During and after World War II Australia supplied the uranium for nuclear weapons made in Britain and America. In the late 1960s and early 1970s Australia seriously considered making its own nuclear weapons. In 1984 our foreign minister argued that Australia should develop a pre-nuclear weapons capability. Fortunately, Australia has not gone down that path, but we have to be ever alert and we have to make sure that Australia does stay at the leading edge of the debate about nuclear non-proliferation. That is the reason why the Democrats are supporting this motion today. We do want to see action. We do want to see the government coming out and taking a leading role in the debate. It has been disappointing for many of us that that has not happened when we are so close to the non-proliferation treaty review.

Senator O'BRIEN (Tasmania) (10.37 a.m.)—I would like to speak very briefly in this debate. I think Senator Cook eloquently outlined Labor’s position. Having had a look at the actual terms of the motion, I wondered why Australia is not prepared—as the government is indicating—to continue to openly advocate the policy of nuclear disarmament. I think Senator Campbell interjected with a comment that the government did not support the new agenda and that was the basis for the position it was taking. We abstained in that particular vote; we did not vote against it. Perhaps people interpreted that to mean that we had fewer problems with the proposal than the nations who voted against it.

It seems to me that the Australian people are expecting this parliament to reflect their views on nuclear disarmament and, as other speakers have said, nuclear disarmament is an issue which has a great deal of support, overwhelming support, among the Australian population. I believe that is the case around the world. We should not be giving comfort to the remaining hawkish forces in the various countries around the world who are pursuing the acquisition or enhancement of nuclear capability or who are pursuing the maintenance of the existing levels of nuclear capability. Australia should be saying that that is not good enough and that we have to continue to make progress on the issue of nuclear disarmament.

I was reminded during the debate that Australia and this government take quite different positions in relation to other international issues and other international treaties. Does the National Party accept, or does even the government proffer the view, that because the United States or the European Union have a different view on trade treaties we should not be publicly, and through this parliament, expressing a point of view that they should be much more progressive and open in their negotiations on opening up world trade? They do not take that view in relation to, for example, international treaties on whaling. Because Norway and Japan take a different view to Australia, do we give up and say, ‘We have tried. Let’s leave matters as they are. We might pursue it through the backdoor, but this parliament should not say anything about it’? No, we do not. In this case, on this issue which has worldwide significance, the government is suggesting to the Australian people that it is inappropriate for the Senate to carry this motion.

I say to the people listening: if you read the motion, it becomes even more difficult to understand why the government is not prepared to move forward and support this issue. All the government wants to do—look at Senator Campbell’s contribution—is effectively to make a few political points and attack people who pursued this issue rather than deal with the issue of substance. The only conclusion that can be reached is that the government knows that it does not have an argument of strength that it can put to the Australian people on this issue. It is very difficult for the government to explain why it is not prepared to openly support this parliament saying, ‘The nations of the world should continue to make progress and to move forward on the issue nuclear disarmament.’ I have been an advocate of nuclear disarmament since the 1960s. It is gratifying in this new century that we have made the progress that we have. The Labor Party does not believe, and I do not believe that this Senate is of the view, that we should sit back.
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and say to those powers which hold nuclear weapons, ‘The ball is in your hands. It is up to you now; we have done what we can.’ That is why the Labor Party will be supporting this motion.

Question put:

That the motion (Senator Cook’s) be agreed to.

The Senate divided. [10.45 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes…………… 32
Noes…………… 27
Majority……… 5

**AYES**

Allison, L.  
Bolkus, N.  
Brown, B.  
Collins, J. M. A.  
Cook, P. F. S.  
Crowley, R. A.  
Forshaw, M. G.  
Gregg, B.  
Hutchins, S. P.  
Ludwig, J.  
Mackay, S.  
O’Brien, K.*  
Ray, R. F.  
Schacht, C.  
West, S. M.

**NOES**

Alston, R. K. R.  
Calvert, P. H.  
Chapman, H. G. P.  
Eggleston, A.  
Ferguson, A. B.  
Gibson, B. F.  
Knowles, S. C.  
Macdonald, I. D.  
Mackauran, J. J. J.  
Patterson, K. C.  
Reid, M. E.  
Tchen, T.  
Troeth, J. M.  
Watson, J.O.W.

**PAIRS**

Carr, K.  
Cooney, B.  
Evans, C. V.  
Faulkner, J. P.  
Murray, A.  
Sherry, N.

* denotes teller

Question so resolved in the affirmative.

**COMMITTEES**

**Economics References Committee**

Meeting

Motion (by Senator O’Brien, at the request of Senator Murphy) agreed to:

That the Economics References Committee be authorised to hold public meetings during the sittings of the Senate on 14 March and 15 March 2000, from 3.30 pm, to take evidence for the committee’s inquiry on the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies.

**Native Title and Aboriginal and Torres Strait Islander Land Fund Committee**

Meeting

Motion (by Senator Calvert)—by leave—agreed to:

That the parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund be authorised to hold a public meeting during the sitting of the Senate on Monday, 13 March 2000 from 12.30 p.m. till 2 p.m. to take evidence for the committee’s inquiry into an amendment of the Native Title Amendment Act 1998 to fulfil Australia’s international obligations in relation to racial discrimination.

**Community Affairs Legislation Committee**

Report

Senator CALVERT (Tasmania) (10.50 a.m.)—I present the report of the Community Affairs Legislation Committee on its examination of annual reports.

Ordered that the report be printed.

**BUDGET 1999-2000**

**Consideration by Legislation Committees**

Additional Information

Senator CALVERT (Tasmania) (10.50 a.m.)—On behalf of Senator Brownhill, I present additional information received by the Foreign Affairs, Defence and Trade Legislation Committee relating to the supplementary hearings on the budget estimates for 1999-2000.

**Reports**

Senator CALVERT (Tasmania) (10.51 a.m.)—Pursuant to order, and at the request of the chairs of the respective committees, I present reports in respect of the 1999-2000 additional estimates, together with the Han-
sard record of the committee proceedings from all legislation committees.

Ordered that the reports be printed.

AUSTRALIAN WOOL RESEARCH AND PROMOTION ORGANISATION AMENDMENT (FUNDING AND WOOL TAX) BILL 2000

First Reading

Bill received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:

That this bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.52 a.m.)—I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

By 3 March of this year, woolgrowers throughout Australia will have had the opportunity to vote on the types of business services they require and the money they are prepared to invest in the service delivery arrangements for their industry in the future by participating in WoolPoll 2000. Specifically, WoolPoll 2000 gives growers the opportunity to vote on the nature and level of collective R&D, innovation and marketing services required to support their wool businesses.

Poor prices and low demand for wool over the last decade have resulted in falling wool production and difficult times for woolgrowers. The Government is well aware of the difficulties being experienced and the frustration woolgrowers feel about the future of their industry and what they need to do to improve their commercial viability.

In response, the Government appointed the wool industry Future Directions Taskforce in December 1998, chaired by the Hon Ian McLachlan AO, to define the issues facing the industry and to identify appropriate responses. The majority of the Taskforce recommendations in the Report released in June last year were for individual growers to take direct responsibility for securing the future of their own businesses and the marketing of their wool. Some of the recommendations were for the industry collectively, and several invited government responses.

The recommendations the Government is responding to with this bill are those relating to future industry service provider structures and the statutory levy arrangements, with a view to adopting a more commercial approach and greater accountability and responsibility to the industry it services. The Government believes this is best achieved by placing greater responsibility for the future directions of these activities in the hands of a commercial board accountable to levy payers, preferably under a Corporations Law company as recommended by the Taskforce.

The main purpose of this bill is to allow for the smooth transition from WoolPoll 2000 into the second stage of wool reform; that is to establish by 1 January 2001 the most appropriate structure to provide the services woolgrowers decide they want the successor to the Australian Wool Research and Promotion Organisation (AWRAP) to provide. The amendments contained in this bill will allow AWRAP to support this process, and also enable an early response to the WoolPoll 2000 outcome.

The bill’s provision for AWRAP to facilitate and fund the reform process is similar to that inserted into the Wool International legislation in 1998 which enabled the successful conversion from the statutory authority Wool International to the Corporations Law company WoolStock Australia Limited.

The second stage of the reform process will involve the consideration of appropriate delivery structures to support those activities chosen for the new company by woolgrowers in WoolPoll 2000.

While the Government has yet to finally decide on the actual mechanism for managing this second stage, the successful involvement of the Office of Asset Sales and Information Technology Outsourcing in the establishment of WoolStock Australia Limited set an encouraging precedent.

An Interim Board will be established to work on the vision, goals and business plan for the new organisation. It is intended this Board will have strong and independent commercial skills, as well as wool industry expertise.

A Woolgrower Advisory Group will have access to the Interim Board and will be able to “workshop” issues arising from findings of the commercial and legal advisers who will be conducting the normal “due diligence” and other processes in-
volved in exploring the options for the new structure and levy funding arrangements. This will, therefore, provide the maximum opportunity for the industry to put its views forward on the structure, and to work closely with the Interim Board in developing the business plan for the new entity. The Government, in taking the final decisions on the new arrangements, will meet its responsibility for ensuring appropriate accountability to the Parliament for the use of levy funds.

The current legislative framework governing AWRAP only allows wool taxpayers (woolgrowers) to vote on a particular rate of wool tax. There is little scope to pose more detailed questions, or options, regarding what services woolgrowers want in return for their wool tax, and indeed how much wool tax they are prepared to invest in those services.

The amending bill will overcome the requirement for AWRAP to undertake a statutory wool tax ballot, with all its limitations, in order to change the current wool tax rate. They will allow the Government to change the wool tax rate after giving consideration to support within the wool industry for a particular rate of wool tax. WoolPoll 2000 is the vehicle being employed to gauge that level of support.

Should industry decide on a tax rate less than 4 per cent, the amendments will also allow the Government to phase the wool tax rate down. This might be necessary to allow AWRAP to meet the adjustment costs of moving to the new arrangements.

The amendments contained in this bill signal a further step towards reducing the level of Government involvement in wool industry arrangements, and pave the way for the real ongoing reform of the wool industry statutory arrangements and following the successful privatisation of Wool International.

Ordered that further consideration of the second reading of this bill be adjourned till the first day of the 2000 winter sittings in accordance with standing order 111.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) CHARGES BILL 1998

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL 1998

Second Reading
Debate resumed from 8 March, on motion by Senator Minchin:

That these bills be now read a second time.

Senator SCHACHT (South Australia) (10.53 a.m.)—I have three minutes to conclude my remarks from yesterday. In my concluding remarks, I again want to emphasise that a substantial majority of the Australian public and a substantial majority of the Australian parliament do not agree with the narrow-minded attitude taken by some senators and some House of Representatives members, particularly those in the National Party, and Senator Harradine.

Senator Harradine is consistent on this issue of wanting to ban material that he thinks is too sexually explicit and wanting to interfere in what adults do in private. The National Party are doing this for purely politically motivated reasons in trying to say to their own constituency, which they misjudge completely, that they are defending the family, defending children, et cetera, from this material.

The present system, as I said yesterday, has worked very well for 30 years. I would be much more interested to hear the remarks of Senator McGauran, for example, or Senator Harradine about their concerns and problems with children having access to this material if I had heard them make speeches about the significant number of problems that have been identified in the last few decades in the Catholic Church, where priests have abused their position and have sexually assualted children. I have not heard many speeches from Senator Harradine or Senator McGauran criticising the church for being seen to be doing hardly anything to overcome the abuse that has occurred endlessly for years and is now being exposed. If you are fair dinkum about censorship issues and your concern, you would make a lot more speeches in the Senate about the abuse that children have suffered at the hands of guardians from the Catholic Church and other churches over the years. We do not hear anything from the senators on that.

In conclusion, there is a substantial majority of Australians who do not agree with this bizarre effort—as I would call it—made by Senator Harradine and the National Party to roll the Attorney-General on a very reasonable reform which we have supported and the state attorneys-general have supported.

In conclusion, there is a substantial majority of Australians who do not agree with this bizarre effort—as I would call it—made by Senator Harradine and the National Party to roll the Attorney-General on a very reasonable reform which we have supported and the state attorneys-general have supported.
think this fixation that some senators have completely demeans them and this place and the majority of Australians. A majority of this parliament will stand and fight those who want to interfere with the privacy of what adults can do in their own relationships, and we will not allow members of parliament to tell people what they should and should not do. (Time expired)

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.56 a.m.)—I rise briefly to make a few remarks in relation to the Classification (Publications, Films and Computer Games) Amendment Bill 1998 and the Classification (Publications, Films and Computer Games) Charges Bill 1998. I suspect I am part of that majority to which Senator Chris Schacht referred who believe that in this nation we have struck a workable balance between civil libertarian views and the views that I certainly hold dear—that is, the idea of freedom of speech, freedom of press, et cetera—and various protections which ensure that young people especially are not viewing things that are undesirable, inappropriate or contain illegal acts. In his remarks yesterday, Senator Schacht referred who believe that in this nation we have struck a workable balance between civil libertarian views and the views that I certainly hold dear—that is, the idea of freedom of speech, freedom of press, et cetera—and various protections which ensure that young people especially are not viewing things that are undesirable, inappropriate or contain illegal acts. In his remarks yesterday, Senator Schacht put on the record very clearly what our current censorship regimes prohibit, and quite rightly too. I think we have struck a workable balance and we should commend previous governments for being able to strike that balance.

The Democrats have already put on record some of our concerns, not only in the remarks from Senator Brian Greig on this bill but also in the Democrats’ and Greens’ minority report. We have already expressed some of the concerns we have in relation to the imposition of what we consider a new tax. We are under no illusions as to the effect of these bills in relation to imposing a tax, and we have certainly put forward our concerns in relation to how this tax is intended to operate within the context of the ANTS package. We certainly support powers that enable charges to be waived and in relation to exemption of certain films from classifications. Those remarks are on record.

As we stated in our minority report, signed off by Senator Andrew Bartlett, the Democrats support a legitimate role by the federal government in classifying material in the public domain. However, we have always opposed—and I hope will continue to oppose—the restriction of adult access to material that generally would be acceptable to reasonable adults. We believe, similarly in relation to regulation of the Internet, that classification and content regulation should be based on empowerment of responsible adults rather than some kind of command and control censorship mechanism. We have made this position clear throughout our history—through the committee report, through the debates on this bill and also during the debate on the online services bill last year. I believe there are many congruous issues between some of these bills and the debate we have had about the NVE classification and indeed the online services legislation, which unfortunately passed the chamber last year. Ever increasing media saturation and media divergence requires a dynamic, responsive and comprehensive classification scheme and therefore a legislative agenda which addresses the fundamental questions of classification.

Unfortunately, in this place and in a number of other places fundamental classification issues are often disguised or marginalised by sensationalism and political point scoring—playing on media hype and stereotypes. I think we have seen a bit of that in this debate, or at least played out in the media over recent days. That is not to be dismissive of community concern and opinion on these issues. In fact, quite the contrary. It is rather that public opinion on such issues is being misrepresented on occasions in this place. So far in this debate we have seen an overwhelming focus on places like Fyshwick and other districts in Australia and in the media there has been a similar emphasis on such places. Of course, the media has managed to emphasise the viewing of a number of videos by various members of parliament. I think Buck’s transsexual adventure was one of them, but various movies or videos along those lines.

Sure, non-violent erotica makes good headlines. However, I would suggest—in keeping with evidence indicating that extreme violence and racism are of greater concern—that perhaps explicit sexual material
should not pose the same kind of sensationalist threat. Racism and issues of violence are things that stir community attitudes, and quite rightly, but they stir community attitudes more so than issues of sexually explicit material. The sensationalist manner in which some members of the government—more so National Party members—have approached not only these bills but other bills that we anticipate, has been unfortunate.

I note a poll by the *Sunday* program in April last year which posed the question, ‘Which of the following are you most concerned about: sex and nudity on television, violence on television, or senators telling us what we can watch?’ The results of this survey had four per cent of respondents concerned about sex; 12 per cent concerned about violence and 84 per cent concerned about senators telling us what we can watch. This might be indicative of how the public is beginning to view the classification debate. The public associate classification with wider concerns about censorship and politicians dictating content to the wider community.

Furthermore, on the issue of X-rated videos specifically, the *Age* in April 1997—and I acknowledge that that is going back a couple of years—showed that 83 per cent of Australians thought that non-violent sexually explicit X-rated videos should be legally available. Although this survey was taken a couple of years ago, it was in the midst of a debate about the major effects of banning these particular videos. However, if there is a public demand for such material, then it seems appropriate to label it as that and allow for differentiation from violent representations. This is an issue that has been canvassed in this debate.

The Australian Democrats have consistently supported regulation and classification based on the empowerment of responsible adults, instead of that command and control approach that is evident across some of these debates. The online services bill was a fine example of that command and control attitude, but one in which the Democrats disregarded sensationalism and command and control regulation, or certainly in that case, unabashed censorship. As we stated in our minority report, the government does have a responsibility to provide a system of efficient, unbiased and cost effective classification to industry and consumers. In many respects the bills that we anticipate and the bills that we are dealing with—although not in relation to the imposition of a tax—have been a long time coming, and certainly the NVE classification is something that we will be dealing with soon.

In relation to the Internet we have made it clear that we oppose the restriction of adult access to Internet content where that same content is available in other media. The non-violent erotica category—and there have been quite a few reflections on that in this debate—has the support of the Democrats, as well as state and territory governments. I notice that yesterday the Deputy Prime Minister, John Anderson, stated in response to media questioning that:

In a nutshell the term non-violent erotica has a sort of a warm, cuddly overtone.

To me it seems that the term ‘non-violent erotica’ is just that—non-violent erotica. There is no fuzzing around the edges, but it is rather an instructive or descriptive term. It is a classification that has widespread political and community support.

The Office of Film and Literature Classification’s primary objectives with regard to classification are: to assist adults to make informed decisions about films, publications and computer games which they or those in their care may read, view or play; and to enable the film, publishing and computer game industries to produce and market their products in accordance with public classification standards and conditions of sale and exhibition. I do believe that we have had a good regime. I commend a lot of the work that the government and the Attorney-General have been doing in relation to reclassifications, or the NVE category. I think it is hard to strike that balance between civil libertarian values and also ensuring that not only people’s rights but also their needs are protected, especially in relation to young people. I do believe that adult responsibility should be a central component of any attempt to control the way in which young people use varying forms of the media.
Once again, I put on record the Democrat views in relation to issues of classification or censorship, and I also reiterate our concerns about the creation of a new tax while supporting the power under this proposed legislation to waiver charges.

Senator McGauran (Victoria) (11.05 a.m.)—I wish to speak for a very short time and thank the minister for giving me this time to respond to Senator Schacht's address to the Senate in which he raised the whole issue of censorship. It is a broad issue and a grey area, because views range from one end of the spectrum to the other. It should be noted that since this government came into power in 1996 there have been many changes to our censorship laws. I suppose on any analysis they have been made more conservative and certainly more understandable than they were prior to us coming into government. We believe that those changes have been, on any analysis, community based, and in fact, community accepted, if not community demanded.

A great deal of those changes were prompted by the movie Salo, which was the movie that explicitly showed minors being exploited. That was the line in the sand and since then there have been many reviews of our censorship board and censorship laws. For example—and what could be wrong with this?—the censorship board has been changed so that it is far more community based. More people are being appointed to the board from the community than previously. Previously the board was far more representative of the arts community and critics. The board did not have community based people and it lacked a number of women. That has also changed. There are now more women on the censorship board and the review board. What can be wrong with that?

Further to that, the government has looked at the classifications. I am not so sure that they have been as much tightened up as better defined, more crystal clear. More commonsense has been brought to the censorship debate. Senator Schacht thinks that is a trend, that we have gone too far. We would object to his analysis and say it is far more community based and responsive to the community. We believe the community wants a line drawn in the sand. We do not win them all. Senator Harradine does not win them all. Recently, the movie Romance was released to our screens. There was an outcry in relation to that movie, that it is more explicit than we have ever seen, but it falls under the threshold, I would say, of Salo, which was exploitation of minors.

Senator Forshaw—That wasn’t the outcry at all; the outcry was because the movie was banned.

The Acting Deputy President (Senator Lightfoot)—Order!

Senator McGauran—I am being properly and rightly advised to ignore that. But my point is we do not have draconian censorship laws in the community at all. Of late there has been in the press information or news that the coalition is reassessing its classification of X to NVE. We have simply pulled that legislation out to reassess it, to discuss it, to get a greater community response. If there is any doubt on it we will look at it again. We are simply re-studying it. The National Party are unashamed—always have been; I do not know why you think we would change or why you would want us to change—social conservatives. There are all types in this parliament. There are the Senator Schachts and then there is the National Party, and the two will never meet. It is as simple as that.

I would not get too excited about the re-examination of the classification, because we simply want to make the labelling far more commonsense, far more understandable, so when you pull it off the shelf in the ACT or the Northern Territory you know what you are getting. That is community based, that is community responsive and it is commonsense. As for Senator Schacht’s attack on the whole of the Catholic Church, I would say that is utterly irrelevant to this debate and says more about the man than the issue.

Senator Vanstone (South Australia—Minister for Justice and Customs) (11.10 a.m.)—I thank senators for their contributions. I am disappointed, of course, that the opposition continues to oppose the Classification (Publications, Films and Computer Games) Charges Bill 1998 and the comple-
mentary amendments that are in the Classification (Publications, Films and Computer Games) Amendment Bill 1998. This is only going to increase the burden on the public purse to the benefit of commercial operators. As the Attorney-General said in the debate in the House, the government does not believe that it is either fair or appropriate to use public funds to subsidise businesses involved for commercial gain in the production or distribution of publications, films or computer games. The government does not think that it is at all unreasonable that the industry should be expected to pay for the services and benefits it receives from the national classification scheme.

The charges to be levied by the charges bill are designed to cover the costs of activities ancillary to the classifications services provided by the Office of Film and Literature Classification. These include certain research, the community liaison officer scheme, policy development, and ministerial support. While these activities are related to an efficient and effective classification and enforcement scheme, their cost cannot, for constitutional reasons, be included in the fees for the provision of classifications services. They, nevertheless, benefit the industry. For example, the community liaison officer scheme, which now operates in all jurisdictions, is designed to increase compliance with the classifications scheme, which clearly benefits those sectors of the industry that do comply with the law.

Policy development and research assist in improving consistency in decision making and in ensuring that classification decisions reflect community standards. The government is aware that sections of the industry have expressed concern about the effect of the 1997 classification fee increases and the further increases under the charges bill on the availability of material that has a limited market appeal in Australia. To address those concerns Ernst and Young were engaged to review the charges structure in consultation with the industry, with a view to seeing whether greater equity can be provided to applicants who submit material for classification that does in fact have a limited market appeal. The review’s conclusion was there was no single compelling argument supporting continuation of the proposed charging structure or, alternatively, changing the charging structure to provide concessions based on limited market appeal. Senator Greig wanted to know whether the Ernst and Young and KPMG reports were public. He did not think they were, and he invited clarification of that. The Ernst and Young report is public. The KPMG report is not yet finalised. Once it has been, it will also be made public.

Despite that, the government considered that there was a case to enable certain material, where limited distribution was involved, to be classified at reduced rates, and it has taken the following action as a consequence of that. The amendment bill empowers the director of the Classification Board to waive, in whole or part, classification charges for limited distribution of specialist interest material which comprises a documentary record of an event or something of a cultural or like nature, if it is in the public interest to do so. The government proposes to further expand this power in the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 1999 by empowering the director to waive fees for short films from new and emerging film-makers. This means that films of this kind, which would usually fall outside the exempt categories, will still need to be classified but that the fee for doing so can be waived or reduced.

The amendment bill proposes that the current exemptions in the act be expanded to cover current affairs, hobbyist, sporting, family, live performance musical presentation and religious films. These will be in addition to the current exemptions in the act which cover films for business, accounting, professional, scientific or educational purposes. Films within these proposed new exempt categories are typically distributed to a very specialised market in often relatively small numbers. Removing the need for them to be classified should ensure their continued availability and thereby contribute to product diversity in the Australian market. I think that will answer the questions Senator Cooney raised about the Melbourne Cup and so on.
The combined cost to revenue of these measures is estimated to be $354,000. The government believes that its response to concerns about the effect of the increase in classification fees and charges on certain industry sectors has been both timely and responsible and that this should address many of the issues that have been raised. Given these factors and the fact that the industries which are embraced by the National Classification Scheme have a high turnover each year, the government can see no justification for the stance that the opposition has taken on the Classification (Publications, Films and Computer Games) Charges Bill. What rejecting the charges bill and the attached amendments in the other bill really means is that there are some services that, but for the existence of an industry that makes a fortune, would not exist. It is fair to say that they should therefore pay for them. I understand that the opposition and the Democrats want to say, ‘No, let the taxpayer pay. Let’s not make business pay and the movie moguls and the people who are making megabucks out this pay. Let’s make the taxpayer pay for this.’ I think that is an appalling situation.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—The question is that the bills be read a second time. Before I put the question, I ask: does the Senate require the question be put separately?

Senator Bolkus—Yes, Mr Acting Deputy President. I would request that the question be divided at this stage and that the bills be dealt with separately.

Question put:

That the Classification (Publications, Films and Computer Games) Charges Bill 1998 be now read a second time

The Senate divided (11.21 a.m.)

(The President—Senator the Hon. Margaret Reid)

Ayes……………… 29
Noes……………… 31
Majority………… 2

AYES

Abetz, E. Alston, R.K.R.
Brownhill, D.G. Calvert, P.H.
Campbell, I.G. Crane, A.W.
Eggleston, A. Ellison, C.M.
Ferguson, A.B. Ferris, J.
Gibson, B.F. Harradine, B.
Herron, J. Hill, R.
Knowles, S.C. Lightfoot, P.R.
Macdonald, I.D. Mason, B.
McGauran, J.J.J. Minchin, N.H.
Newman, J.M. Patterson, K.C.
Payne, M.A. Reid, M.E.
Tchen, T. Tierney, J.W.
Troeth, J.M. Vanstone, A.E.
Watson, J.O.W.

NOES

Allison, L. Bartlett, A.
Bolkus, N. Bourne, V.W.
Brown, B. Campbell, G.
Collins, I.M.A. Conroy, S.M.
Cook, P.F.S. Crossin, P.M.
Denman, K.J. Evans, C.V.
Forshaw, M.G. Gibbs, B.
Greig, B. Hogg, J.
Hutchins, S. Lede, M.H.
Ludwig, J. Lundy, K.A.
McKerren, J. McLucas, J.
Murphy, S.M. O’Brien, K.
Quirke, J.A. Ray, R.F.
Ridgway, A. Schacht, C.
Stott Despoja, N. West, S.M.
Woodley, J.

PAIRS

Parer, W.R. Carr, K.
Coonan, H. Cooney, B.
Chapman, H.G.P. Bishop, M.
Kemp, C.R. Faulkner, J.P.
Tambling, G.E. Mackay, S.
Boswell, R.L.D. Murray, A.
Heffernan, W. Sherry, N.

* denotes teller

Question so resolved in the negative

The PRESIDENT—The question now is that the Classification (Publications, Films and Computer Games) Amendment Bill 1998 be read a second time

Question resolved in the affirmative.

Bill read a second time.

In Committee

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL 1998

The bill.

Senator BOLKUS (South Australia) (11.25 a.m.)—I seek leave to move the amendments circulated in my name. In doing so I suggest we put amendments Nos 1 to 4 and amendments Nos 11 to 19 together.

Senator VANSTONE (South Australia—Minister for Justice and Customs) (11.25
—I am just wondering why they cannot all be moved together.

The CHAIRMAN—Minister, I can explain that. Amendments 5, 6, 7, 8, 9 and 10 relate to clauses the opposition wishes to oppose, and they have to be put in a different manner. The question is that amendments Nos 1 to 4 and 11 to 19 be taken together.

Leave granted.

Senator BOLKUS (South Australia) (11.26 a.m.)—I move:

1. Clause 2, page 1 (line 8), omit “Subject to subsection (2), this”, substitute “This”.
2. Clause 2, page 2 (lines 1 to 3), omit subclause (2).
3. Schedule 1, heading to Part 1, page 3 (lines 5 and 6), omit the heading.
4. Schedule 1, heading to Part 2, page 6 (lines 2 to 5), omit the heading.
5. Schedule 1, item 32, page 9 (line 10), omit “or charges”.
6. Schedule 1, item 32, page 9 (line 15), omit “or charge”.
7. Schedule 1, item 32, page 9 (line 30), omit the note.
8. Schedule 1, item 33, page 10 (line 3), omit “or charge”.
9. Schedule 1, item 33, page 10 (line 4), omit “or charge”.
10. Schedule 1, item 33, page 10 (line 7), omit “or charge”.
11. Schedule 1, item 33, page 10 (line 23), omit “or charges”.
12. Schedule 1, item 33, page 10 (line 26), omit “or charge”.
13. Schedule 1, item 33, page 10 (line 29), omit “or charge”.

We have had the debate on these amendments during the debate on the second reading. In essence, what we are doing here is making amendments consequential to the previous bill being defeated. The amendments go to the question of charging. Our concern has been that the charging regime impacts unfairly on the smaller film-makers. We believe that that is an unfair regime and that the impact is disproportionately felt by the smaller film-makers. It is a debate we have had here before, Senator Harradine. I think the last time we had it was in the 1997 legislation where you opposed the opposition’s similar moves at that stage. We discussed this yesterday morning in this place. In short, that is the argument.

Senator V ANSTONE (South Australia—Minister for Justice and Customs) (11.28 a.m.)—I will speak briefly so that Senator Harradine can understand the government’s position. Senator Harradine, as you know we have just voted on the second reading of the charges bill. These are consequential amendments on that. I simply want to put on record that Senator Bolkus simply does not understand, because it is not true that the passage of the second amendment bill with the clauses that the opposition now wants to amend would have damaged the films Senator Bolkus refers to. Had he been listening to my response, he would have heard how the government has taken steps to protect those sorts of film-makers—those producing films for a very limited market, of which there is quite a wide range that would benefit from the changes the government was making. But that fell on deaf ears and the second reading of the charges bill was not successful, so we now need to make the merely consequential amendments to clean up the legislation to reflect the damage that has been done by Labor and the Democrats.

Senator BOLKUS (South Australia) (11.29 a.m.)—To repeat what I said during
the second reading debate—and the minister obviously was not listening to that—although there are some exemptions, we do not think they go anywhere near far enough. That is our concern with these provisions.

Senator COONEY (Victoria) (11.29 a.m.)—In addition to the matters put forward by Senator Bolkus, I would like the following to be considered. We have concentrated on the issue of non-violent erotica, non-violent pornography or whatever you want to term that particular section of the publications, but most of the matter that is produced and that people have to get classified does not go anywhere near that area. One of the basic freedoms—and, Minister, I have heard you fight mightily for this over the years—is that people should have freedom of expression and freedom of speech. With this bill, you are putting a tax on freedom of expression. That is a matter of concern. So it is not simply a matter for small film-makers—and, of course, when we were doing the inquiry, that came forward in a big way. But if there are charges, we are charging people for expressing their view, whether that expression is through film or otherwise. I think that is a matter we ought to address.

Senator BOLKUS (South Australia) (11.31 a.m.)—The opposition will oppose schedule 1, items 12 to 16, 18, 20, 22 to 24, 27 and 29 for the reasons mentioned in respect of the previous batch of amendments.

The CHAIRMAN—The question is that opposition amendments Nos 1 to 4 and 11 to 19 be agreed to.

Question resolved in the affirmative.

Senator BOLKUS (South Australia) (11.31 a.m.)—The opposition will oppose schedule 1, items 12 to 16, 18, 20, 22 to 24, 27 and 29 for the reasons mentioned in respect of the previous batch of amendments.

The CHAIRMAN—The question is that schedule 1, items 12 to 16, 18, 20, 22 to 24, 27 and 29 stand as printed.

Question resolved in the negative.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Bill (on motion by Senator Vanstone) read a third time.

NORFOLK ISLAND AMENDMENT BILL 1999 [2000]

Second Reading

Debate resumed from 31 March 1999, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator COONEY (Victoria) (11.33 a.m.)—The Norfolk Island Amendment Bill 1999 [2000] seeks to make changes to the way the Norfolk Island government is run. Perhaps the most controversial part of this bill is that which deals with the group that will be able to vote for the government on Norfolk Island. At the moment, the people who make up the government of Norfolk Island are elected by the residents of Norfolk Island, and those residents include people mainly from Australia. A vast proportion of the residents are from Australia, but there is also a substantial group of people from New Zealand and a lesser group of people from elsewhere. This bill proposes that the only people able to have a say in the government of Norfolk Island, whether in terms of being in the government or voting for the government, will be Australian citizens.

The proposition is put that this is Australian territory. If people do not want to be Australians then why should they vote for its government? Indeed, on the mainland, that would be a reasonable proposition and one that I would agree with. In other words, if we were electing the government of Australia, the people who vote for that government ought to be Australians. That is the situation in Australia now, except in the case of some people from the United Kingdom who were here before 1984.

The minister will no doubt come to the situation on Norfolk Island when he is giving his speech. Norfolk island is in a situation that is unique in the sense that a precedent has been set—and the minister would understand the importance of precedence. This island has been run for some substantial time now on the basis that everybody there, all the residents, have a say in the government. To change that now without any real reason seems to be too harsh a penalty. To use a hackneyed but very effective phrase, it is ap-
plying dramatic surgery when dramatic surgery is not called for.

This is an island that has, in its own view, an interesting relationship with the mainland. It certainly is part of Australia; about that there is absolutely no doubt. The residents who have come to Norfolk Island have come there since the United Kingdom took possession of it in the last century. It is not as if this island was inhabited, invaded, conquered and became part of the British Empire and then became part of Australia as a result of that. No, this island was settled subsequent to occupation by the United Kingdom; nevertheless it has been settled on a particular basis.

People were brought from Pitcairn Island, for example, in the century before the last and they have lived there ever since. It is a select population, on the basis that Australians cannot go and simply live there. You have to get, as it were, the blessing of the people on the island. All that might almost sound elitist, but nevertheless here we have a small population, one that has got its own history and its own sense of history, including the history of the Pitcairnese, the descendants of Fletcher and the others from the Bounty. In addition to that there are people who have gone there without any connection to the Bounty but nevertheless feel that this is a unique population. In that sense they want to embrace everybody who is there, and that seems a reasonable proposition.

After all, we can hardly say New Zealanders are altogether foreigners to Australia. If we have any group of people living in another country that are near to us, then New Zealanders would fit that bill. I think to exclude New Zealanders in this situation is placing too much of a strain upon the good relationship that we might otherwise have with New Zealand.

There was some concern about the gun laws on the island. That was one of those matters which had the government concerned, and it was properly concerned in my view. The gun laws that apply in Australia did not apply there and they ought to have. As I understand it, that matter has now been largely cleared up and it is not the issue that it might once have been.

There is also the issue of the Administrator and the Deputy Administrator and who elects the Deputy Administrator. It is the opposition’s view that the Deputy Administrator ought to be elected by the people who run the island. This is a bill which I think interferes unnecessarily and too savagely with a community that is a discrete community with a particular history and with people who now want to keep expressing their identity as Norfolk Islanders.

Should we as a nation—when compared with Norfolk Island we are a very powerful nation—use our muscle and approach them like a bovver boy might approach some vulnerable person in the streets of London? Perhaps not; perhaps we ought to have some sensitivity. Perhaps we ought to understand their position and not gallop at this in the way we presently are.

As I remember it, people came from Norfolk Island to appear before the committee. They had gone to great effort to put their position forward. They certainly weren’t revolutionaries. One of the attractive features about them was a lot of them were getting on towards my age and it was nice to have a committee where the people you were talking to were somewhere near the age of wisdom, which I consider I am at now.

Senator Ian Macdonald—We tolerate young people, Barney, just like you.

Senator COONEY—Minister, you are very young. That is what provoked me to say those things. There are all sorts of legal, constitutional and other reasons that might be developed about this but the most evocative thing is that we have this community with a history of its own—and no doubt the minister will point out that it is not a history that goes back centuries. Nevertheless it is a small community—I think there are about 1,800 people there; fewer than 2,000 in any event. They have gone along their way and perhaps we ought to let them go their way from now on.

They do not get any health services from Australia, and I do not say that as any sort of criticism because I am sure that, if they wanted to, they would be able to with arrangements being made and with taxes paid
at the proper rate. I do not put that forward as a condemnation of Australia or any of the governments in Australia. I simply say that they are different in the sense that the benefits they get are not the same as the benefits other Australians get and in that sense there is a distinguishing mark. When I say ‘other Australians’, I mean other residents of Australia because certainly the New Zealanders, although not citizens of Australia, are nevertheless residents in that part of Australian territory.

Of course, the proposition could be put—and it has a validity about it—that, if they want to live in Australia and vote for a government on Australian soil, why should they not become Australians? But I think this is a situation where we can make an exception in all the circumstances and in the interests of being nice, at least, to a small community that feels that, out there in the Pacific Ocean, it has its own way of life with which it would like to continue.

**Senator BOURNE (New South Wales)** (11.45 a.m.)—I thank Senator Mackay for letting me take her place on the speakers list. It is interesting to note that the Norfolk Island Amendment Bill is not supported by the Norfolk Island government, nor is it supported by many members of the Norfolk Island community. The Norfolk government has said that it does not want Australia interfering in its local government or its electoral laws, both of which have worked well for 20 years. The government’s firearms provisions have now been withdrawn by the government, and these too were said by the Norfolk Islanders to be quite unnecessary. The Senate Selection of Bills Committee last year found that this bill contained contentious issues and referred it to the Senate Legal and Constitutional Affairs Committee. The minority report of that committee, signed by Senator Lyn Allison of my party, found no compelling reason to support the bill and recommended against it. The Democrats will therefore not be supporting the bill. But, if the government wishes to refer a study of the electoral system on Norfolk Island to a joint committee, as recommended by the Senate Legal and Constitutional Affairs Committee in its report, we would support that referral.

**Senator ROBERT RAY (Victoria)** (11.46 a.m.)—The Norfolk Island Amendment Bill, of course, is a machinery bill. It is a bit like a curate’s egg—it is good in parts—but various parts are of concern to some senators. One aspect of the bill is that the Deputy Administrator will be appointed by the minister, not through the Governor-General. I imagine this has been put there so that a minister can act more quickly than having to go through the procedures of executive council when some emergency situation occurs. The Governor-General also appoints the Administrator, and the incumbent Administrator has had his term extended by two years.

Tony Messner is well known to some of us in the Senate, as he served in this chamber for a number of years. He was an affable, hardworking senator who achieved ministerial rank but whose career was foreshortened by the coalition’s electoral slump in the 1980s. Of course, his appointment is a job for the boys—no question about that. He was the PM’s mate. There is no doubt that he was always a terribly loyal supporter of John Howard. But reports on his performance in the job of Administrator of Norfolk Island are positive. Probably he is one of the more deserving ‘jobs for the boys’ applicants than many of the other sycophants who have been picked up in the system, and I wish him well in his next two years in the term.

I am reminded that, back in 1994, the then Senator Mal Colston aspired to the position of Administrator of Norfolk Island. My colleague Senator Faulkner held, amongst other things, portfolio responsibility for the territories. He rejected Colston’s supplications on the basis that he regarded him as a time-serving place seeker. But it was also discovered that the then Senator Colston—at the time he did a grand tour of all the territories to see which one he would like the most—had claimed travel allowance. I discovered it only at the time that Senator Colston made his supplications on the basis that he regarded him as a time-serving place seeker. But it was also discovered that the then Senator Colston—at the time he did a grand tour of all the territories to see which one he would like the most—had claimed travel allowance. I discovered it only at the time that Senator Colston made his supplications for the position. I also found out that he was a recipient of hospitality from the then Administrator of Norfolk Island. So, in other words, he went over to Norfolk Island, stayed with the Administrator and claimed travel allowance. Well, he is a better bush lawyer than I am because he was able to
prove to me that it was legal. I was not able to prove to him that it was morally bankrupt to do so.

It was also known, by the way, that this matter was known to the coalition. Certain coalition senators had also gained this information but were awaiting his expected appointment to Norfolk Island before they tipped the bucket on him. But Senator Faulkner never gave them the opportunity.

History will record that the ALP has paid a major price for failing to support Colston and appoint him as Administrator of Norfolk Island. But I also think history will say that we were correct. The citizens of Norfolk Island certainly made their views known by signing a petition—800-odd, I think—pleading with us not to appoint the then Senator Colston. It is true that the Labor Party let Senator Colston disappear from the Senate on 30 June 1999 without comment. But privately I pondered what would be his first act as Citizen Colston. Sympathetically, I thought he might be consulting his doctors. Less sympathetically, I thought he might have been in conference with his legal advisers. I also thought he might have done the decent thing and written to those coalition members who had—albeit in a desultory way—praised him during the valedictories. But no, he did not. His first act as a private citizen on 1 July 1999 was to write a letter, which I intend to share with the Senate today. The letter is, of course, private and confidential. It notes his address, which I am not going to repeat to the Senate here today unless I am asked to table the letter, and it is dated 1 July 1999. It is addressed to the Secretary, Remuneration Tribunal, Post Office Box 281, Civic Square, Canberra, ACT, 2608. It states:

Dear Ms Sadaukas

I would be grateful if you could examine this provision to determine whether it is possible to cover meal costs on long distance rail services.

Yours sincerely

Dr Mal Colston

Having left the Senate with his full superannuation, having had the DPP judge him not fit to stand trial, he uses the first occasion when he has left this Senate to stick the taxpayers with yet more expenses. He is too miserable to pay for his own lunch. I have to tell you, Citizen Colston: there is no such thing as a free lunch.
for territories. Currently, the appointment is made by the Governor-General. Thirdly, the bill proposes to remove firearms and ammunition from schedule 2 to schedule 3 of the Norfolk Island Act 1979, thereby permitting the minister to veto legislation passed by the assembly about those matters. This amendment is to be removed from the bill. The Labor Party supports that removal.

At this point, Labor reject the remaining two proposals. Labor and Democrat senators from the Legal and Constitutional Legislation Committee submitted a minority report outlining their opposition to the bill. We remain, at this point, in opposition to the bill. I will expand on the reasons why. The provisions setting down the requirements for voting and eligibility to stand for election on Norfolk Island are contained in the Legislative Assembly Act 1979 (Norfolk Island), an act of the Norfolk Island Legislative Assembly, and the Norfolk Island Act 1979 respectively.

Let me briefly describe the legal and constitutional framework that currently operates on the island. The island is a Commonwealth territory operating as a partially self-governing territory. In 1979, the Norfolk Island Act was passed setting up partial self-government on the island. The Administrator performs the role of administering the territory. An executive council, its members drawn from the Legislative Assembly, advises the Administrator on all matters relating to the government of the territory. The Assembly has the power to legislate to make laws for the peace, order and good government of the territory. This power is as broad as that given to any other state or territory in the Commonwealth. However, the Commonwealth retains the right of veto over certain matters. This list of matters is to be distinguished from the list of Commonwealth powers contained in the Constitution which are exclusive to the Commonwealth. Unless specified, no Commonwealth act applies on Norfolk Island.

Requirements for eligibility to vote in Norfolk Island elections for the Legislative Assembly and eligibility to stand for election are the responsibility of the Norfolk Island Legislative Assembly. Under existing provisions of the act, a person can stand for election to the Assembly if they are aged 18 or over, are entitled to vote at elections and have been ordinarily resident on the island for the five years immediately preceding the date of nomination. They must be present on the island for 900 days during a four-year period immediately preceding an application for enrolment. These requirements clearly differ from the requirements in any other state or territory.

The bill before us today seeks to establish Australian citizenship as a requirement for eligibility for future elections to the Norfolk Island Legislative Assembly as well as for future enrolments on the Norfolk Island electoral roll. It also seeks to relax the residency requirements currently in operation. It proposes to reduce the residency requirements to six months, reflecting the maximum amount of time allowed in any other state.

This bill and its key amendments to the Norfolk Island electoral provisions will alter the current status of Norfolk Island significantly. The relationship between the Commonwealth and the Norfolk Island government has been viewed variously as from one resembling a federal-local government relationship to one representing a federal-state relationship. The real problem, highlighted by this observation—and in our view it is exacerbated by this bill—is that the government does not seem to have a firm position on the appropriate degree of self-government for Norfolk Island.

The most detailed exposition of the government’s position is found in the minister’s response to the Senate Scrutiny of Bills Committee where he made the following points. Firstly, like other external and mainland territories, Norfolk Island will remain an integral part of the Commonwealth. Secondly, the Commonwealth government remains open to realistic proposals from the Norfolk Island government for the enhancement of internal self-government, subject to improvements in revenue raising.

Despite these views, today we have a bill before us that, in the view of the Norfolk Islanders, seeks to peg back the autonomy of the Norfolk Island Legislative Assembly and the legal system operating on the island. The coalition 1998 election statement reads:
The Coalition recognises the unique position of Norfolk Island in the Australian Federation and is committed to continue the development of internal self-government in Norfolk Island, in cooperation with the Island’s Government and Legislative Assembly, and appropriate to the efficient administration of the Territory.

This attitude has apparently now changed. The Norfolk Islanders strongly feel that this bill not only indicates a move away from current levels of autonomy enjoyed by the Norfolk Island Legislative Assembly but also has exposed the government as incapable of cooperating with the Norfolk Island government. This bill is a stark illustration of this government’s reluctance to engage in genuine discussion with the community on Norfolk Island. To be fair, there has been some discussion of the matter with the Norfolk Island government, ironically at the instigation of non-government senators on the Senate Legal and Constitutional Legislation Committee. Four members of the Norfolk Island government attended the committee’s inquiry last year. However, somewhat oddly, given the subject matter, the Norfolk Island Administrator did not attend. The committee requested his attendance for both hearings yet was informed that he was unavailable to attend. No residents of the island attended the meeting.

The two hearings that the committee held were conducted in Sydney and Canberra respectively. Given that the hearings were not conducted on the island itself, Labor senators were concerned to hear from the Administrator directly, given that the committee was not going to travel to Norfolk Island. He, of course, did not turn up or was unavailable. The representatives of the Norfolk Island government who attended the hearings were vocal in their opposition to this bill. They were highly critical of the government’s approach to this issue and stressed that, while some on the island do support the government’s bill, their own opposition represented by far the weight of island opinion.

The essence of the Norfolk Island government’s argument in opposition to these changes is that a significant period of continuous residence on the island is the appropriate threshold requirement for eligibility for both enrolment and standing for election to the Norfolk Island Legislative Assembly. Further, it is their view that the long-term demographics of the island, its geographic distance from the mainland and its highly developed form of self-government make these changes inappropriate and ill conceived.

The Norfolk Island government are also concerned that these changes will reduce an already small pool of eligible candidates for the Legislative Assembly and admit a number of transient Australian citizens to, in their view, swamp the small electorate who are neither well versed in the distinctive ways of the island nor committed to its long-term interests. The essence of the Commonwealth argument is one of equality across the Commonwealth. The minister has written:

The aim of the legislation is to confer the same rights and responsibilities for voting on Australian citizens, ordinarily resident on Norfolk Island, as Australian citizens have elsewhere in Australia.

That is all very well, but Norfolk Islanders feel that the island has a very distinct history and is in a unique position, a position which was recognised by the coalition, as I have already referred to, in its 1998 election statement. Perhaps it is this unique position that has allowed the government to ignore the results of a referendum held on the island last year in May. The question posed was very specific as to whether islanders agreed with the Australian government’s proposal. Seventy-four per cent of Norfolk Islanders voted no, with more than 90 per cent of the eligible community voting in that referendum.

Later that same month, Senator Allison moved a motion in this chamber calling on the government to enter into formal negotiations with the government of Norfolk Island in view of the referendum result. No such formal negotiations have taken place. What Labor is demanding today is an open and accountable approach by the government to any changes made to the legal and constitutional position on Norfolk Island. What we are demanding is full consultation and cooperation by the government with the community this bill affects, consistent with the coalition’s 1998 policy.

The federal government is frustratingly inconsistent in its approach to matters arising
in state and territory jurisdictions. When the Australian Capital Territory (Planning and Land Management) Amendment Bill 1999 was before this chamber only a few weeks ago, the minister who is here today presenting this bill was severe in his criticism of federal government 'interference' in matters falling within other jurisdictions. He accused me and my colleague Senator Lundy of what he feared. He said:

It is the old socialist dogma that the central government knows best—that Big Brother knows best.

That is the usual cowboy stuff from this particular minister. Yet today we have the very same minister going one step further. The government is proposing to change the laws of a partially self-governing territory without even talking to them, without even consulting with them, and without the Administrator having the courtesy to attend two hearings of the Senate Legal and Constitutional Legislation Committee. I contend that, far from being socialist dogma, this is an action I think Josef Stalin would have been proud of. It seems authoritarianism in its purest form.

This government generally is confused about its position on the true role of the federal government. We could go on about regional policy, but I do not think we will here. There have been heated arguments recently in relation to mandatory sentencing laws in the Northern Territory and Western Australia. On this issue, federal government ministers have been horrified at the suggestion that the Commonwealth intervene. This is the very same government that intervened in Christmas Island to abolish mandatory sentencing there.

The Prime Minister has not even been fazed by the fact that in that case Australia stands in breach of ILO conventions, including the Convention on the Rights of the Child, so adamant is the government on its stance on intervention—with one rule for the Northern Territory and another for the Indian Ocean Territories. Then again, the Prime Minister has been flirting with the idea of intervention with regard to safe injecting rooms being set up by the ACT. What is the common theme that unites these altering positions? Is it convenience or simply political expediency? We had direct intervention in the ACT with regard to heroin trials by the Prime Minister. So much for self-determination in the ACT.

Today, the Senate is being asked to sign off an amendment that unashamedly dictates to a community who have voiced their objections loudly and resoundingly, who have invoked legal means to express their opposition and who have been ignored. What Labor is suggesting is that these amendments and the whole matter be referred to the Joint Standing Committee on the National Capital and External Territories for consideration in the context of the whole issue of the future of Norfolk Island, something which we are advised that that particular committee is considering or looking at in any event.

The coalition in its 1998 policy stated that it recognises the unique position of Norfolk Island and that it will seek to develop the self-governing regime of Norfolk Island in cooperation with the island’s government and Legislative Assembly. However, in our view, through its approach to this bill, it has done exactly the opposite. It now seems to be unsure of its position in relation to the appropriate degree of self-government for Norfolk Island and definitely does not seem to be working towards the development of the internal self-government of the island. We believe that the government has failed in its commitment in its own coalition policy 1998 to cooperate with the island’s government and Legislative Assembly, and it is certainly their view. This is demonstrably inconsistent and reactive in its approach to issues arising under the control of other jurisdictions. In fact, the government could not even get its act together sufficiently to ensure that the Administrator attended the two Senate hearings in relation to this matter.

We believe that, as a minimum, the government should fulfil its commitment and responsibilities to Norfolk Island. The many arguments raised by the islanders in relation to this bill and the broader questions deserve discussion with the people they affect. With no sign of cooperation that the government pledged in its 1998 commitment, Labor now calls on the government to refer the matter to the committee I referred to before to ensure
that there is consultation and cooperation with the Norfolk Island government and the residents of the island. We are keen to ensure that the people of the island are central to a debate on the future parameters of the legal and constitutional position of Norfolk Island.

Let me briefly turn to the issue of the Deputy Administrator. That is the other amendment contained in this bill, which proposes that the Deputy Administrator of Norfolk Island be appointed by the minister responsible. At present the Deputy Administrator is appointed by the Governor-General. The Deputy Administrator of Norfolk Island holds what is known as a ‘dormant commission’. The position is required to fill the office of the Administrator from time to time, as the need arises, when necessary duties cannot be fulfilled by the Administrator or an Acting Administrator.

We believe the government has done little to set out on the public record the merits of its case for this proposal. The government has made two points: (1) the appointment of a comparatively junior Commonwealth officer, who conventionally fills the position, to an essentially dormant commission does not warrant the attention of the Governor-General; and (2) the appointment by the territories minister is consistent with the situation in the other two external territories, Christmas Island and the Cocos Islands.

The Norfolk Island Assembly opposes the amendment. According to the Norfolk Island government, in practice acting administrators are rarely appointed. In the absence of the Administrator, it will be the Deputy Administrator who will exercise and perform all the powers and functions of the Administrator. This has occurred in the past where the Deputy Administrator has occupied the position of Administrator for up to four months.

The Assembly is also concerned by the implication of the government’s argument. Do the important functions performed by the Administrator suddenly become less important when performed by a deputy? A minority report submitted by Labor and Democrat senators reflects an understanding of these arguments. It concluded that, as the Deputy Administrator is required at all times to have powers and carry out all the functions of the Administrator, the appointment of the Deputy Administrator should mirror that of the Administrator with all the associated scrutiny in relation to that process. The Labor senators of the committee rejected the proposal and Labor rejects it again today.

The opposition opposes the amendments in the Norfolk Island Amendment Bill 1999 [2000] at this point. We recommend that the proposed changes to the electoral provisions in relation to the island go through a full and proper process of consultation in cooperation with the Norfolk Island government and the residents. It is our view that the proposals be referred to the Joint Committee on the National Capital and External Territories for consultation by way of inquiry into the whole issue of Norfolk Island self-government, which would include consultation with the Norfolk Island government and the residents of Norfolk Island. We oppose the amendment to the appointment procedure of the Deputy Administrator. As stated at the beginning of my speech, we support the withdrawal of the proposed amendment to move firearms and ammunition from schedule 2 to schedule 3 on the Norfolk Island Act 1979. Hence, the opposition opposes the bill.

Senator CROSSIN (Northern Territory) (12.09 p.m.)—I will not speak for very long on this bill other than to express an interest I have in the governance and operations of our territories. I would like to commence by putting on record my congratulations to Ronald Nobbs, who is the recently appointed Chief Minister of the Norfolk Island Legislative Assembly. The reason I do so is that, although Ron Nobbs was born on Norfolk Island and is a resident there and that is, in a sense, his home, he spent many years in the Northern Territory. While he was there, he made a significant contribution to our community. On behalf of the people of the Territory, I take this opportunity to publicly congratulate him on that appointment.

I think what is interesting about this bill is that, besides some of the facts that my colleague Senator Mackay raised about the process in which this bill has come about, the lack of consultation with members of the Norfolk Island Legislative Assembly and the Chief Minister, and the way in which this
The government has ignored the referendum to ascertain whether or not they wanted these changes that was actually conducted on Norfolk Island during 1998, the day of—if my memory serves me right—the federal election, it is significant to have a look at, and take into account, the uniqueness of Norfolk Island and a uniqueness that they have struggled for many years to maintain.

It is an idyllic place, thousands of kilometres from here. I think it is important to recognise that, over the years, their relationship with the Commonwealth government has in fact changed. I do not believe that it is any longer a relationship that a local government would have with a state government, for example. They believe the role they play has elevated significantly, and they see themselves almost as a state in their own right. I am not going to make a comment on whether that is a good or a bad thing. In the context of this bill, I think the way in which those people want to operate on Norfolk Island, and currently do operate on Norfolk Island, and the way in which they perceive themselves in relation to the others states and territories of the Commonwealth needs to be taken into account and has not been taken into account significantly by this government.

The main effect of this bill that I want to speak about is that it not only requires candidates in future elections to the Norfolk Island Assembly to hold Australian citizenship but also requires that only Australian citizens will be able to enrol to vote in future ballots on the island. Late last year, some people might remember, I presented an adjournment speech to this chamber after a trip I took to Guernsey. One of the main reasons I actually went to Guernsey was to simply have a look at their electoral arrangements. It is interesting to note that the island of Guernsey is doing the reverse. For many years, they had only British subjects or people from the Republic of Ireland who lived on the island and who also met a residency test voting in their local elections. They have quite recently changed the way that residents of that island can participate in their local elections by expanding the criteria on which they can get on the roll. So, in other words, they no longer have to be British subjects or from the Republic of Ireland. They in fact can be from anywhere around the world.

Why did they do that? They recognised that there were people coming from places like America, Europe and Japan that significantly contributed to the island, its economy and its lifestyle, had made a commitment to live there for a very long time, but found that they were being isolated and ostracised by the way the electoral roll and the criteria to get on the electoral roll were structured. So they have expanded their eligibility for criteria to get on the electoral roll in Guernsey. It is interesting to note, and it should be kept in mind, that the Norfolk Islanders actually communicate a lot with people in the British Isles and Guernsey. They exchange ideas, they talk, they meet at conferences and they share almost a common sense of purpose: that is, to preserve the uniqueness of the island community in which they live.

It is no wonder then that people on Norfolk Island are actually saying that they do not support this bill, that they want to preserve the criteria and the way in which people on the island are actually eligible to vote. What is significantly missing from this debate is the role that people from New Zealand play on that island. Although 81 per cent of the permanent population on Norfolk Island are Australian citizens, 16 per cent of the island’s permanent population are New Zealanders; and UK citizens and people from other nationalities make up around 3½ per cent of the remaining population.

I agree with the people from Norfolk Island when they say that this bill would significantly disenfranchise some of the people in their community in an unfair and unjust way. There are people from New Zealand there, and I know this bill would preserve their right, but what of those people who would come in the future? What of those people from New Zealand and other countries who may come and stay for many years at a time and contribute to industries on the island and, after many years, would want to actually make that their permanent home? It is those kinds of people that this bill would disenfranchise.

In conclusion, I would like to quote from a representative of the Norfolk Island govern-
ment, Mr Don Wright. This quote is from the report of the Senate Legal and Constitutional Legislation Committee on the consideration of this legislation. He claims:

The conclusion reached is that there is potential for approximately ... 20 per cent of the present permanently resident population to be disenfranchised on the basis of the 1996 census results and taking into account that the grandfather clause will eventually run out.

He goes on to say:

After the effect of the grandfathering provision has been spent, the assertion in the submission is that about 20 per cent of those presently eligible to vote will become ineligible.

So I think it is important that Labor does in fact support the Norfolk Island people by not agreeing to this bill. There is a need for this situation regarding the eligibility of voters on Norfolk Island and the electoral system to be looked at, possibly by the Joint Committee on the National Capital and External Territories. At this stage, it would be fit and proper for us to not support this bill and to give the people on that island an opportunity to present their views properly and fairly to the Commonwealth government about the future of their regime.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (12.17 p.m.)—The Norfolk Island Amendment Bill 1999 [2000] is intended to provide democratic reforms for that part of Australia which is Norfolk Island and to otherwise do a couple of very minor machinery things that were requested by Labor Party politicians when they held responsibility for the island. I regret that, yet again, the Labor Party shows its hypocrisy in its approach to these issues. You have to look no further than a couple of weeks ago at the debate on the government’s bill to give the 300,000-odd people of the Australian Capital Territory the right to determine their own issues. It was opposed by Labor, and today its members come in here with the fairly shallow arguments we have heard opposing this particular bill.

A theme running through the speeches from the opposition is that it needs to be, yet again, investigated by a parliamentary committee. I think the people of Norfolk Island just about cut their wrists when they see that yet another federal government parliamentary committee is on their island conducting some form of investigation. This particular legislation results from a previous parliamentary committee, which, as I recall, had a majority of Labor Party members who said, ‘This is what we should do.’ Many of those Labor Party members are still in the parliament. How in their caucus meetings they could now come to a different conclusion simply amazes me.

It is important just to look at the very simple provisions of this bill, and I am sure that anyone following this debate will share with me a sense of amazement as to how any parliamentarian interested in democratic rights could possibly oppose this bill. On electoral matters, the Norfolk Island Amendment Bill will extend the right to vote in the legislative assembly elections to all Australian citizens ordinarily resident on the island. How could anyone oppose that? Currently, there are a large number of Australian citizens living in that part of Australia who do not have the right to vote, and that exclusion of those people from a right to vote is supported by the Labor Party and the Democrats.

I simply cannot understand why a party like the Democrats, which prides itself on being libertarian, and the social conscience group of the Labor Party, who claim to be all for democracy and liberty, will stop Australians from voting in an Australian territory. I sympathise with Senator Cooney, who I know is a genuine libertarian, and I know he choked through the few comments he had to say whilst waiting for the shadow minister to turn up. I know that Senator Cooney, like most of the rest of us in this parliament, is very determined to ensure that Australian citizens, wherever they are in Australia, have the right to vote; and the Labor Party and the Democrats are combining to stop Australians citizens voting.

The second part of the bill is to establish Australian citizenship as a qualification for enrolment and election to the Legislative Assembly. Can you imagine any other country in the world which would allow non-citizens to become members of an elected legislature? Can you imagine any country in the world
that would find that surprising? Yet the Labor Party and the Democrats are saying, ‘You don’t have to be an Australian citizen to be part of the government of this part of Australia.’ It does not happen anywhere else in Australia.

Norfolk Island is part of Australia. There is no question about that. Yet in the Norfolk Island Legislative Assembly, you do not have to be an Australian to be Chief Minister, you do not have to be an Australian to be a minister in the government, and you do not have to be an Australian to be a member of the nine-man parliament. Our legislation seeks to bring Norfolk Island into line with every other part of Australia in requiring that people standing for election have to be Australian citizens.

There has recently been an election, and I am not sure of the nationality of a couple of the newly elected members, but all of the members of the old parliament—and that means the government, too—were Australian citizens. So it is no big deal. Most of the people who stand choose to become Australian citizens if they are not already; most of them are at the beginning. So there is no significant variation.

The Labor Party’s view is that you can come from Ghana, you can come from India, you can come from anywhere in the world and be elected Chief Minister of an Australian territory without being an Australian citizen. Without having sworn the oath of office, the oath of allegiance to Australia, you can be head of a government. How the Australian Labor Party and the Democrats could possibly come to that conclusion leaves me breathless.

There has been some suggestion—Senator Crossin said it, but after my interjection corrected herself—that rights are being taken away. No rights are being taken away from anyone. If you are not an Australian citizen and you currently have the right to vote in the Norfolk Island election, that right is preserved. We are not making those people take out Australian citizenship. They can continue to vote for as long as they live and as long as they are otherwise eligible for enrolment on Norfolk Island. So existing rights are not affected. The theme that came through from a couple of the opposition and Democrat speakers was that we are taking away rights. That is simply not true. It is simply not factual, and it is inappropriate that it should be.

To just explain in a little further detail, currently the Norfolk Island Act prescribes qualifications for election to the Legislative Assembly. Under those provisions, a person can stand for election if he or she is 18 years or over, is entitled to vote at elections and has ordinarily been resident on the island for five years immediately preceding the date of nomination. Currently, you have to live there for five years before you can have the qualifications for election. So Australians who are in that part of Australia for 4½ years do not have the qualifications for election.

Currently, the act prescribes that a person is qualified to enrol—this is just to enrol, not to stand for election—where that person has attained the age of 18 and has been present on Norfolk Island for 900 days during the period of four years immediately preceding the application for the enrolment. So that is unlike anywhere else in Australia, where usually you have to be there for one month to get on the electoral roll. In Tasmania, it is a bit different, where you have to be in the state for six months to get on the electoral roll. In Norfolk Island, it is 900 days, which is about three years—so a long period of time. Our legislation proposes that Australians who are on Norfolk Island for six months—as in Tasmania—have the right to vote that part of Australia. The Labor Party and the Democrats would restrict the right of Australians in that situation to enrol to vote.

The proposed electoral amendments would bring electoral provisions prescribing enrolment and entitlement to stand for election more into line with those in other legislatures. Under our provisions, an Australian citizen would be eligible to stand for election to the Legislative Assembly. An ordinarily resident qualifying period of six months would also be introduced. I emphasise again: existing rights to non-Australians enrolled on the island remain. They are preserved, so we are not taking them away.

The other part of the bill is simply a procedural issue which was requested by the Hon. Warren Snowdon when he was parlia-
mentary secretary in charge of Norfolk Island. Mr Snowdon obviously realised that the appointment for a short period of time of the Official Secretary, a government public servant, as the fill-in administrator, if I might say, really should be done as a matter of form. Mr Snowdon agreed with that, saw the sense of that and asked that that happen. We are actually doing that, and we find that the Labor Party and the Democrats are opposing it. It is a very simple administrative matter to appoint the Official Secretary on a temporary, fill-in basis without having to go through the procedures of approaching the Governor-General to appoint the Official Secretary as the Deputy Administrator. It can only be sheer bloody-mindedness on behalf of the opposition parties to oppose that. I repeat: it was a proposal suggested by Mr Snowdon. Should this debate get into the committee stage, I ask Senator Mackay to explain to me why Mr Snowdon’s request is now being opposed by her party.

Senator Newman interjecting—

Senator IAN MACDONALD—As Senator Newman rightly interjects, the left does not know what the right is doing. It amazes me that we get these stupid decisions—and I have to say that—which the Labor Party proposed and which we adopted, but which now the Labor Party is opposing. People can make up their own minds on why this is, but it is certainly not an approach towards good government. That is what the bill is all about.

I want to briefly comment on some of the speeches made by various speakers in this debate. I have already expressed my sympathy to Senator Cooney. I know he was very uncomfortable, and the lack of his normal fluency demonstrated that he was uncomfortable that, because of party rigidity and discipline, he had to actually vote against these democratic reforms. Grappling for words, he said that it was a change without reason. Senator Cooney, the reason is democracy—a pretty simple reason. Australians living in Australia should have a right to vote. Many of them are excluded. Senator Cooney was not terribly familiar with the issue of the Deputy Administrator, and I make no further comment on that. It is simply a clerical matter and not really a question of election by the people on the island.

Senator Cooney mentioned the guns issue, and perhaps I should have briefly mentioned it. Initially we had intended to override Norfolk Island legislation which did not comply with the national guns legislation adopted by every state and territory in Australia. After the introduction of the bill, the Norfolk Island government actually altered its law to comply and, accordingly, there was no reason for the government to proceed with that amendment, and we consequently withdrew it. I might say that we withdrew it and indicated as such in the course of many consultations, approaches and discussions that I had with the Assembly and the government about various issues. They had urged me to adopt that action if they fixed their bill. That was a process of long consultation and discussion between both parties, and the right result was achieved.

Senator Bourne’s brief speech indicates that again the Democrats have no real interest in this. They are blindly following the Labor position, as they tend to do most often. Senator Bourne’s speech showed that she had no real understanding of the issues involved. Her speech was notable for its shallowness. Again it surprises me that the Democrats—who do pride themselves on some understanding and commitment to democratic reforms—could possibly oppose this. Why they could possibly oppose Australians living in Australia from having a vote that other Australians enjoy is just beyond me, as is why they are opposing the proposal that you have to be an Australian to stand for an Australian parliament. If you read Senator Bourne’s speech, you will not find any clarification of their approach.

Senator Ray congratulated Mr Messner, and for once in my life I wholeheartedly support Senator Ray. The current Administrator, Mr Messner, is an excellent Administrator. His term has just recently been extended and he is doing an exceptional job there. Senator Ray went on to talk about Senator Colston never missing a chance to vent his spleen, of course, never emphasising—although he had the courtesy to be a little bit embarrassed about the fact—that the Labor Party knew all
about Senator Colston and did absolutely nothing about it. Senator Ray has admitted that before. He admitted it today. Whatever was alleged against Senator Colston—and I do not say whether that is true or not—if it is true, the Labor Party knew about it and did nothing. They will stand forever condemned for their hypocrisy on that issue.

I will ignore the personal attacks that always seem to come out in Senator Mackay’s speech. I am big enough; I can handle them and I do not mind. I will ignore the personal attacks, but I do wish that Senator Mackay would get her facts right. She talked about the legal system being wound back. There is no suggestion of that at all. She talked about the need for genuine discussion. I think she might have met with them once or twice, but I meet with the Norfolk Island government and the Assembly as often as I can. I speak with them very often on the telephone. They know that my policy towards them is that my door is always open. Whether we agree or not is another question, of course, but they know that my door is always open, and I willingly discuss everything and anything with members of the Assembly and the government. We have a very good relationship. I join Senator Crossin in publicly congratulating the Hon. Ron Nobbs on his election as Chief Minister. I have done so privately in a telephone conversation with him and in personal correspondence, but I publicly do so here.

Senator Mackay spent a lot of her time talking about the need for consultation and parliamentary committees. I will tell her again that this bill originated as a result of the Islands in the Sun report from the House of Representatives Standing Committee on Legal and Constitutional Affairs. They recommended this. Any group that has been to Norfolk Island has had a view on it. Mr Simmons when he was the Labor Minister for Territories agreed to reinstate—Australian citizenship as a qualification for membership of the Legislative Assembly and that was his proposal at the time.

Senator Crossin in her address referred to the island of Guernsey. I ask her: does she suggest that because the British government think it is good for Britain, that it should apply in Australia? Surely, she is not suggesting that we should be slaves to what the British government does? The logic of Senator Crossin’s argument is that, because the British government is doing it on Guernsey and it is good there, perhaps we should do it in Australia. I am expecting that very shortly the Labor Party will be moving to provide that you do not need to be an Australian citizen to enter the Australian parliament or state parliaments. That is an extension of their logic.

Senator Mackay—Don’t be silly.

Senator IAN MACDONALD—Senator Mackay is interjecting. ‘It’s silly.’ I agree with you. The logic is just silly, and I accept your words for that. Senator Crossin also referred to a referendum. It is a pretty good referendum—the people you are wanting to benefit do not get a chance to vote in the referendum, because the Labor Party and the Democrats keep them off the roll. And you ask people, ‘Do you want to keep them off the roll or do you want to keep them on?’ The people who want to come on do not get a say. It is a great referendum! I am disappointed at the simply amazing position that the Labor Party and the Democrats have taken. (Time expired)

Question put: That this bill be now read a second time.

The Senate divided [12.42 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes………… 29
Noes………… 33
Majority……… 4

AYES

Alston, R.K.R.
Brownhill, D.G.
Chapman, H.G.P.
Crane, A.W.
Ellison, C.M.
Ferris, J.
Herron, J.
Lightfoot, P.R.
Mason, B.
Minchin, N.H.
Patterson, K.C.
Reid, M.E.
Tchen, T.
Troeth, J.M.
Boswell, R.L.D.
Campbell, I.G.
Coonan, H.
Eggleston, A.
Ferguson, A.B.
Gibson, B.F.
Hill, R.
Macdonald, I.D.
McGauran, J.J.J *
Newman, J.M.
Payne, M.A.
Tamblyn, G.E.
Tierney, J.W.
Vanstone, A.E.
Thursday, 9 March 2000

Watson, J.O.W.

NOES
Bartlett, A.
Bolkus, N.
Brown, B.
Collins, J.M.A.
Cooney, B.
Crowley, R.A.
Forshaw, M.G.
Greig, B.
Hutchins, S.
Ludwig, J.
Mackay, S.
McLucas, J.
O’Brien, K *
Ray, R.F.
Schacht, C.
West, S.

PAIRS
Calvert, P.H.
Murray, A.
Heffernan, W.
Evans, C.V.
Kemp, C.R.
Cook, P.F.S.
Knowles, S.C.
Sherry, N.
Abetz, E.
Faulkner, J.P.
Parer, W.R.
Carr, K.

* denotes teller

Question so resolved in the negative.

BUSINESS

Government Business

Motion (by Senator Ian Macdonald) agreed to:
That government business order of the day No. 6, Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999, be postponed until the next day of sitting.

GLADSTONE POWER STATION AGREEMENT (REPEAL) BILL 1999
Second Reading

Debate resumed from 17 February 2000, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (12.47 p.m.)—The Therapeutic Goods Amendment Bill 1999 aims to facilitate the implementation of a mutual recognition agreement between Australia and three members of the European Free Trade Association—that is, Norway, Iceland and Liechtenstein. This is an extension of the original mutual recognition agreement between Australia and the European Union entered into in 1997. In short, it means that Australia will now accept conformity assessment certificates for therapeutic products and devices issued by conformity assessment bodies in Norway, Iceland and Liechtenstein and, in turn, that Australian conformity assessment certificates issued by the Therapeutic Goods Administration will be accepted in these three countries. While this bill may not be controversial, it does represent another important step in making our ability to export high technology Australian products cheaper and easier by removing unnecessary regulatory barriers. It also, of course, holds the same benefits for manufacturers from the EFTA.
That is not to say that in doing so Australia is in any way jeopardising its own very high regulatory standards. By entering into the original MRA, Australian regulatory authorities ensured that overseas assessment standards met our own strict requirements. The Therapeutic Goods Administration has an enviable reputation as a world leader in setting standards relating to the evaluation and assessment of therapeutic products and devices in terms of quality, safety and efficacy. For the Australian public this means that they can be sure that the therapeutic products and devices they use have been through a rigorous testing process before they are made available to our market. Now, together with the citizens of EU countries who have been accepting our therapeutic products and devices under the mutual recognition agreement for the past two years, the citizens of Norway, Iceland and Liechtenstein can be assured that the Australian products they use meet the highest possible quality, safety and efficacy standards. On that basis, the opposition commends this bill to the Senate.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.49 p.m.)—I am pleased to acknowledge the support that this legislation has received from all parties in the House of Representatives and the Senate. The bill before us today relates to the regulation of therapeutic devices. As was just said, the bill amends the Therapeutic Goods Act 1989 to allow for the implementation of the agreement on mutual recognition in relation to conformity assessment, certifications and markings between Australia and the European Free Trade Association, comprising Norway, Liechtenstein and Iceland. This initiative will contribute positively to Australia’s trade efforts and I am therefore pleased to support the passage of the bill. I note the Senate’s endorsement of the work of the Therapeutic Goods Administration and acknowledge the support of other senators for the bill.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

Sitting suspended from 12.52 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Mandatory Sentencing

Senator FAULKNER (2.00 p.m.)—My question is directed to Senator Vanstone, the Minister for Justice and Customs. Minister, where is the justice in obliging a court to send a juvenile to jail for stealing textas and allowing someone who has been convicted of misappropriating $1 billion to walk free after little more than three years behind bars?

Senator VANSTONE—I thank Senator Faulkner for the question. Senator, you know as well as I do that what is justice in any one situation is not something that I would set myself up as being the final arbiter on. I do realise that, being an Arián, you have an ego bigger than Texas, and you probably would give yourself that capacity. But others understand that what is justice in any one situation is not necessarily going to be agreed amongst parties. Your question, however, wants to juxtapose the situation of mandatory sentencing in the Northern Territory for a third conviction with, as you say, letting someone who has been convicted of white-collar offences walk away. The issue of mandatory sentencing is a state issue. It is a matter for the Northern Territory and for Western Australia. The issue of whether someone walks away is a matter for the courts. This government has not let anybody walk away. Proper legal process has decided that it is appropriate.

Senator FAULKNER—Madam President, I ask a supplementary question. Minister, why does the Howard government consider it appropriate to require mandatory sentences for children found guilty of stealing textas when mandatory sentences are not required for adults found guilty of stealing $1 billion?

Senator VANSTONE—Senator, your question carries an assumption which is not correct. The Howard government has not said that it is appropriate that there should be mandatory sentences for children.

Economy: Performance

Senator CALVERT (2.02 p.m.)—My question is to the Assistant Treasurer, Senator
Kemp. Will the minister inform the Senate what today’s employment figures mean for Australian families? Will he also inform the Senate how the government’s reform to the taxation system will ensure that Australian families continue to benefit from the improved economy that the Howard government has delivered?

Senator KEMP—Thank you, Senator Calvert, our very distinguished whip, for that question. It does not surprise me that Senator Calvert would go straight to one of the key issues facing Australia. Nothing highlights the improved performance of the economy under the Howard government more than the reduction in the unemployment rate which was announced today. I would hope everyone in the chamber would welcome these continued falls in the unemployment rate. The unemployment rate for February, which was announced this morning, is 6.7 per cent. It is the lowest for a decade. The unemployment rate fell from 6.9 per cent in January. This contrasts with the unemployment rate that we inherited when we came into office. The failed Hawke and Keating governments left Australia, it is well known, in a frightful mess. The unemployment rate when we came into office was some 8.5 per cent.

Senator George Campbell—What was it when we came into office? Eleven per cent!

Senator KEMP—Senator George Campbell pipes up but, Senator, if you reread the article that you wrote for a book, you would remind yourself that, according to you, one of the worst condemnations of the Labor government was the fact that unemployment levels remained high and in many years real wages fell. We came into office and inherited an economy in a mess. We inherited unemployment at comparatively high levels. This government, I am very pleased to say, is delivering to the Australian people.

The dramatic increase in the numbers of Australians with jobs is very important and has been of huge benefit to Australian families. Over 650,000 new jobs have been created under this government, with the employment figures growing by almost 260,000 in the year to February. By any standard, that is a great record. One of the reasons we have been able to deliver this big benefit is that this is a reform government. This is a government which is committed to reforms and which came into office and carried out a wide range of reforms—including, importantly, the reforms to the industrial relations system and the reforms which will be flowing through in relation to tax reform.

On Senator Calvert’s question, it is worth reminding the chamber that, on 1 July, Australian families will be receiving arguably the largest tax cuts in Australian history. These tax cuts are worth around $12 billion a year. From 1 July, some 80 per cent of Australian taxpayers will have a marginal rate of some 30 per cent or less. One of the very important figures that make many Australian families look forward to 1 July is the fact that many of them will gain in the order of $40 to $50 per week through these tax cuts. The big worry for Australian families is that the Labor Party refuses to guarantee these tax cuts. Australian families are very worried by the refusal of Mr Beazley and his senior ministers to guarantee that income taxes will not rise under any future Labor government. (Time expired)

National Textiles: Audit

Senator SCHACHT (2.07 p.m.)—My question is to Senator Vanstone, the Minister for Justice and Customs. Does the minister recall her statement to the Senate during question time on 15 February that the import credit scheme activity of National Textiles has not been audited? Does the minister still stand by that statement? How does this denial that Customs have audited National Textiles fit with the admission by one of National Textiles’ directors, Mr Philip Bart, that National Textiles has been audited several times by Customs, as reported by the Financial Review on 21 February? Who is misleading the Australian public here? You, Minister, or Mr Bart?

Senator VANSTONE—I thank Senator Schacht for the question. I did not see the article he is referring to in the Financial Review in relation to any remarks Mr Bart has made, but I can say this: Senator Schacht was the minister who was involved very heavily—to his credit, and it is a rare occasion that I can say this—in shifting Customs to a systems audit arrangement. That is to be distinguished from spot check arrangements.
Subsequent to Senator Schacht’s disbelief that they had not had an audit, I checked that, and my advice remains the same: they were not subject to a systems audit. That is the audit terminology of Customs. I was, however, advised that there were a number of visits to National Textiles that related to spot checks, and there were some minor problems in relation to that. I no longer have the brief with me, but I will get the details of those occasions when visits were made for compliance checks as opposed to a systems audit, and I will provide the answer to Senator Schacht.

Senator SCHACHT—Madam President, I ask a supplementary question. I am interested to hear the minister comment on the difference between a systems audit and a spot check, and I welcome the fact that she will come back to the Senate with information to explain the difference and what the spot checks did actually find or do at National Textiles. My supplementary question is: given that there have been a number of recent media reports regarding alleged misuse of the import credit scheme by National Textiles and associated companies, with many millions of taxpayers’ dollars involved, what investigations has the minister ordered into the use of import credits by National Textiles or associated companies such as Bartex? Given that this is solely an operational matter, why did the minister try to shift the blame to her colleague Senator Minchin by referring to files transferred to the department of industry? Or does the involvement of the Prime Minister’s brother in this company put too much pressure on the minister for her to do her job properly?

Senator VANSTONE—I thank Senator Schacht. Such desperation, Senator, will not save you in your preselection. I will give you the details of the spot checks that were undertaken, and I can tell you that a couple of the reports read, ‘Errors detected: nil.’ In another one there were no discrepancies. In one there was a minor problem, a result of seven rolls being left off an export shipment, but I will get you the details on that. As to your latter question, I will take it on notice and I will give you a fully detailed answer.

DISTINGUISHED VISITORS

The President—Order! I draw the attention of honourable senators to the presence in the President’s gallery of members of the House of Representatives Public Accounts Committee from the parliament of Fiji. On behalf of senators, I welcome you to the chamber and trust that your visit here will be very worthwhile.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Health Insurance: Rebate

Senator McGauran (2.11 p.m.)—My question is to Senator Herron, the Minister representing the Minister for Health and Aged Care. Is the minister aware of recent comments regarding the government’s 30 per cent rebate on private health insurance? How successful is that rebate, and what would be the effect of any alternative policies?

Senator Herron—I thank Senator McGauran for the question. It is a great question, and I have got good news. For the first time in 10 years we are seeing a rising trend in private health insurance membership rates, just as my learned colleague has told us today that we are seeing a fall in the unemployment rate. More than 293,900 people have joined private health insurance since the Howard government introduced the 30 per cent rebate on 1 January last year—just as the Howard government has created 650,000 new jobs, which we have just heard about. It should be apparent to all of us that Labor almost destroyed health services in this country, and we are fixing the mess, just as we are fixing the economy. In relation to your second question, Senator McGauran, the opposition’s recent media comments reflect the Labor Party’s confusion and infighting about health policy, particular Labor’s position on the 30 per cent rebate. That probably explains their failure to have a health policy. We are still waiting for their health policy. We have been waiting four years for their health policy, and we are still waiting.

Senator Faulkner—We’re still waiting for Bronwyn Bishop’s resignation!

Senator Herron—Senator Faulkner is more concerned about the Leader of the Opposition’s factional enemies than putting to-
gether any sort of alternative policy position. Labor have never given a clear and unequivocal commitment to the Australian public that they would retain the 30 per cent rebate in its entirety. Mr Beazley has reluctantly acknowledged that he will retain the rebate, but he continues to leave the Australian public in the dark about whether he will means test or roll it back as part of his GST roll-back proposal. Why doesn’t he roll over, as Bob Hogg said in relation to the GST? He might as well roll over now in relation to the 30 per cent rebate. I will quote him. He said that the 30 per cent rebate has been ‘a complete and monumental failure’. I know who has been a complete and monumental failure: Mr Beazley. Mr Beazley and his non-existent health policy.

Senator Conroy interjecting—

Senator HERRON—Senator Conroy might tell us where the health policy is. Where is it?

The PRESIDENT—Senator Herron, you should not be addressing remarks across the chamber.

Senator HERRON—I am asking him through you, Madam President. The rebate has been a great success, and this just goes to show that Mr Beazley does not know anything about health care in Australia, and it is fairly obvious that the Labor Party does not either. As another example of how they got lost in health policy, you have only got to look at his statement on access to Medicare. Mr Beazley says that if Labor returns to government, it will provide access to health services from post offices. Mr Beazley seems to have forgotten that the Labor Party closed 277 postal outlets between 1989-90 and 1994-95. Madam President, Senator Faulkner was part of the government that closed 277 postal outlets.

The Howard government has already considerably expanded access to Medicare by initiatives such as telephone claiming, fax in the pharmacy, two-way agency arrangements with private health funds and rural transaction centres. In total, we have more than 800 retail facilities nationally in addition to telephone claiming. The Health Insurance Commission is also trialing the use of touch screen kiosks and electronic lodgment of claims from doctors’ surgeries. We are light years ahead of the Labor Party in relation to health policy—light years. It is about time Labor came out of the dark and told us what their policy is. (Time expired)

**Telstra: Job Cuts**

Senator MACKAY (2.15 p.m.)—My question is addressed to Senator Hill representing the Prime Minister. Minister, how can cutting 16,000 more jobs out of Telstra after a $2 billion half-yearly profit pass the Prime Minister’s red-light test on services in rural and regional Australia? Why aren’t the red lights flashing all over this decision, given that the bulk of job cuts of this magnitude will fall on regional Australia and that services will plummet? Doesn’t this make an absolute mockery of the Prime Minister’s empty promise to regional Australia that there will be no more cuts to jobs or services?

Senator HILL—No, it certainly does not. This government is committed to—

Senator Schacht—He said no more job losses, and a percentage of the 10,000 will be in the bush.

Senator HILL—Well, what did he say? He said, ‘I don’t want to see any further services, or levels of government services, withdrawn from or taken away from the bush.’ The Prime Minister said that he would implement that through instructions to his ministers, and he has duly done so. So, in relation to the Prime Minister’s undertaking, that undertaking will be met because this is a government that keeps its promises. Those who live in rural and regional Australia appreciate the fact that finally there is a government in Canberra that does understand their issues and concerns; that wants them to be put in a position where they can be economically competitive, build industry, grow, employ and get the full rewards from such employment. We are honoured to have a minister such as Senator Macdonald, who has a primary responsibility in this area—finally a minister who gets out into the bush and works with regional people rather than sitting
in Canberra and telling them what is in their best interests.

Opposition senators interjecting—

The PRESIDENT—Order! The level of noise is unacceptable and there are senators breaching the standing orders.

Senator HILL—There are two issues here. On the one hand, there is the issue of Telstra’s competitiveness, the need for it to operate in a competitive market. It has to remain competitive, and that will mean changes in labour and other aspects of its business. That is the same in relation to all corporate entities. Labor might not understand it, but that is business. Business these days is dynamic; but what a day for the Labor Party to come in here and complain about job losses when the unemployment figures came out this morning and indicated the lowest unemployment rate in 10 years. That is what the coalition government is all about in relation to employment: more jobs. We on this side of the chamber remember—as most Australians remember—the record of Labor when one million Australians were out of work, when the unemployment level was up around 11 per cent. Fortunately, with good government in Australia now, the unemployment record is down to something just over 6 per cent. That is what this government is all about: growing the economy, creating jobs and giving benefits to all Australians. So yes, Telstra must remain competitive, and it will have to take the business decisions that it requires to achieve that goal. That is on the one hand. Secondly, there is the Prime Minister’s undertaking in relation to services. That undertaking will be met. Thirdly, this government will act in the interests of all Australians, but particularly it is sensitive to issues in the regions and in the bush, and it is doing more to assist people out there than any government has done before.

Senator MACKAY—Madam President, I ask a supplementary question. Minister, I would invite you to go and tell people in regional Australia about those job figures, and I also note that the government has backed down on its commitment in relation to jobs. With Telstra using the mantra of increasing shareholder value to justify these cuts, why don’t the people who are still Telstra’s majority shareholders count in this—the people of Australia? Where is the value for all of Telstra’s customers and all Australian taxpayers who, after all, still own 51 per cent of this enterprise? Why won’t you and the government stand up for those people in regional Australia in terms of jobs and services?

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my right will cease interjecting.

Senator HILL—The honourable senator obviously did not listen to the answer. But, as she has invited me to tell regional Australia about the latest unemployment figures, I will do so. Since March 1996, employment has grown by 653,800—that is, 653,800 new jobs since the Howard government got into office. The unemployment rate in February was 6.7 per cent—as I said, the lowest outcome in the almost 10 years since June of 1990 or, in other words, since Labor was in office. Under the Labor government, the unemployment rate peaked at 11.2 per cent in December 1992. Over 13 years, it averaged 8.7 per cent. But the news that is occurring is good on a monthly basis because employment grew by 59,100 persons in February alone of this year. That is a result of good governance. All Australians, except the honourable senator, will be pleased with that news. (Time expired)

Telstra: Services

Senator ALLISON (2.21 p.m.)—My question is addressed to the minister for communications. Yesterday the minister said that Telstra service standards had been steadily improving, and today Telstra said the same thing. Minister, how is it that the ACA’s performance monitoring consistently says otherwise, and how is it that so many members of the coalition in today’s Telstra forum said that services are a serious problem in their electorates? Can the minister indicate to the Senate when and how he was informed about the pending 10,000 job losses? Telstra would not say today where these jobs would come from. Has the majority shareholder been told this information? Did the minister inquire as to how the loss of these jobs would affect services? Also, what concrete measures has Telstra offered up to ensure that job
losses will not mean further drops in services, as they did when 27,000 jobs went the first time around?

Senator ALSTON—I simply do not accept the proposition that there were significant job losses as a result of the first downsizing in the company. I am sure even Senator Allison remembers that, at that time, Telstra was something like 30 per cent off world’s best practice. It is now still 15 per cent off world’s best practice. There is no logical connection between a reduction in employment numbers and any downgrading in the quality of service. That is simply because there are enormous productivity gains to be derived from the use of new technology. If Telstra is installing fibre-optic transmission equipment and digital switching gear, using compression techniques and getting onto the Internet in spades, then it has a much greater capacity to do more with less. You know that. You know that Telstra has an obligation to act commercially and to deliver the maximum capacity to provide for new infrastructure spending and to deliver better quality of service outcomes.

We are not here to get up and argue Telstra’s case for it. As you would know, I have been very critical of the fact over a period of years—well before privatisation was a fact of life. You can go back to the early 1990s and see that Telstra’s performance in terms of quality of service was abysmal. We made that point repeatedly. That is why we were the first ones to introduce a customer service guarantee. You know the arrangement under the Labor Party: it was basically by appointment only. In other words, if you wanted your phone fixed, you rang up Telstra, you agreed on a date that suited you, you had to stay home all day and half the time they did not turn up anyway. They apologised when you rang up and complained. That is the sort of quality of service you had until 1996. We introduced a customer service guarantee which imposes strict obligations on the company to fix faults and make repairs within one working day in metropolitan areas, two working days outside the metropolitan areas—

Senator Faulkner—Hey, Bos, what do the Queensland National Party think about this?

The PRESIDENT—Senator Faulkner, calling out to Senator Boswell is disorderly.

Senator ALSTON—and three working days in remote areas. Senator Allison seems to be blissfully unaware—

Senator Allison—Ha, ha!

Senator ALSTON—How can you laugh when you do not even know what I am going to say? That is pretty typical, isn’t it. You fall about pandering to a phone box minority without even knowing the proposition that is about to be put to you. Let me tell you the service performance facts.

Senator Woodley—Madam President, I raise a point of order. The Democrats could not find a phone box because they have all gone out under this government.

The PRESIDENT—There is no point of order.

Senator ALSTON—There must be a million laughs in that party room. It is a wonder you ever get around to doing any serious work. I suppose, on reflection, you do not. If you look at connection times for the last couple of years you find that the percentage of on time to CSG time frames for new service connections in urban areas has gone up from 82 per cent to 90 per cent. In major rural areas it has gone up from 89 per cent to 90 per cent. In minor rural areas it has gone from 97 per cent to 99 per cent. In remote areas it has gone up from 88 per cent to 98 per cent. In place has gone up from 92 per cent to 98 per cent.

Urban fault repairs have gone up over that two-year period from 71 per cent to 83 per cent; rural faults, from 81 per cent to 86 per cent; and remote faults, from 64 per cent to 74 per cent. They are the figures. On those statistics, across the board, you have consistently seen increases. Our position is that we expect Telstra to do better. Telstra itself admits that there are still a number of horror stories out there. No breach of the customer service guarantee is acceptable to us. We remain ready to take action if required. We have put in place a very strict regime. For systematic failure they can be liable for fines
of up to $10 million. We accept what Dr Switkowski said yesterday—that Telstra is committed to year-on-year increases in terms of performance levels. (Time expired)

Senator ALLISON—Madam President, I ask a supplementary question. The minister has not answered the question about consulting his colleagues about problems in their electorates. I ask him when he intends to do that. I also point out that the customer service guarantee was not an initiative of the government; it was something that the Democrats put forward. I further ask the minister about his comments yesterday when he said, ‘Telstra is not a welfare organisation.’ Minister, do you have any concerns at all about the implications of these job losses for the welfare of rural and regional Australia?

Senator ALSTON—The first point to make is that my colleagues do not use phone boxes as often as you do. Most times they get through to my office. I am very much aware of the concerns all around Australia, but particularly in rural and regional Australia, about the quality of service. Hardly a day goes by without Senator Boswell wandering in with some new suggestion—helpful as always, but nonetheless very important. I very much hope we are aware. We are certainly anxious to hear of any difficulties that it is within our capacity to fix. I am astounded to hear Senator Allison now claiming credit for the customer service guarantee. I seem to have a recollection that it was in our 1996 policy. So if the Democrats—

Senator Bourne interjecting—

Senator ALSTON—So it has changed from you getting there first to us getting there first but not delivering; is that right?

The PRESIDENT—Senator Alston, your remarks should be directed to the chair and not across the chamber.

Senator ALSTON—We looked at this many years ago in opposition. I can vividly remember studying the regimes around the world. We came up with what we thought was world’s best practice at the time and we will make sure it continues to be that. (Time expired)

Telstra: Job Cuts

Senator MARK BISHOP (2.28 p.m.)—My question is directed to Senator Alston, the Minister for Communications, Information Technology and the Arts, and follows on from the issues raised by Senator Allison. If 220 managers are to be axed by Telstra, does this not leave up to 16,080 redundancies to be found from the workers, the linesmen, the technicians and the call centre and directory assistance operators—the sorts of people who actually deliver Telstra’s services? Just how many jobs will go in urban areas and how many jobs will be slashed in country areas?

Senator ALSTON—The numbers are that there will be 3,000 jobs lost by natural attrition, 2,000 jobs by outsourcing and 8,000 by redundancies. To offset that, there will be 3,000 new positions recruited, principally in the Internet area; and, as a quite separate and distinct exercise, the network design and construction division is being considered for sell-off.

In terms of actual job changes, as far as outsourcing is concerned, the Telstra experience to date has been that overwhelmingly those people find work in the private sector because this is a very fast growing industry. The communications sector is growing at the rate of about 12 per cent a year—about three times the national economy—and there are plenty of jobs out there for the great bulk of people whose jobs will be outsourced. The reason you outsource is that you want to get greater efficiencies—you want to deliver the same services at a cheaper price, which is what every company wants to do.

Telstra is a little different because Telstra does not have the luxury of saying, ‘We’ll deliver the lowest possible service standards that we can get away with.’ That might have been what it was like under Labor, but it is not like that under us. That is why we have put these benchmarks in place. We have put a
floor under services. As I have indicated, whilst we were very unhappy with them over a period of some years—I think with hindsight Frank Blount admitted they had taken their eye off the ball—over the last two years the statistics are quite positive and the comments and commitments given yesterday by the CEO are ones that we will be very closely monitoring. We will hold them to that commitment. In terms of the government’s responsibility to deliver quality of service outcomes that are improving over time, we are very much on the case.

The tragedy is that the Labor Party seem to take the view that they should be in the business of running Telstra—in other words, the proposal to sell off NDC is something that Stephen Smith now says is not acceptable to the Labor Party. The fact is that under Labor—and no doubt going back to the time when Mr Smith was communications adviser to the then Prime Minister, Mr Keating—Telstra made a lot of sell-offs of various uncompetitive or unproductive parts of their business. It buys and sells on a regular basis and any company worth its salt will—it will restructure, it will dispose of unproductive assets, ones that might have simply become redundant because of technological obsolescence or for all sorts of reasons. Yet Labor say, ‘You can go on buying as much as you like but we will not let you sell.’ That is a recipe for simply putting Telstra into the deep freeze, watching it wither and probably die, keeping it on the margins until they get their chance to break it up and sell off the pieces that they have always wanted to sell off.

There is a long track record of all this. There are plenty of prior convictions out there for Labor being interested in selling off various non-core assets. You only have to go back to 11 February this year, when Mr Beazley said in the Sydney Morning Herald, ‘As far as we are concerned, privatisation by stealth isn’t a problem. As long as Telstra sticks to its core business, it is a matter for it how it conducts itself.’ In other words, Mr Beazley had no problem. That is why I have a problem with him being rolled by the shadow minister because all of a sudden Telstra is being told, ‘If we come to power, we’ll run the company. We’ll take the calls. We’ll decide what’s in the national interest. We’ll give directions about what you can and can’t do.’ (Time expired)

Senator MARK BISHOP—Madam President, I ask a supplementary question. Will the minister acknowledge that there is widespread concern among community leaders about the impact of these enormous job cuts? Or does he dismiss all critics in the same way he dismissed Mr Katter, whom he has described this morning as ‘a national disgrace, who has no respect in this parliament and very little credibility outside it’?

Senator ALSTON—That is quite a different question. The first part of the question was to do with national leaders and industry leaders. Certainly we are concerned about any responsible comments made by those who want to ensure that regional and rural Australia prospers. One of the best ways it can prosper is to get access to high speed telecommunication services at the lowest possible price.

We are very much interested in seeing greater competition in rural areas. We believe that is coming about. You have now seen the last bastion of monopoly in local calls being breached and you are starting to see significant levels of competition in rural areas both by traditional means and by satellite. For example, Austar and Cable and Wireless Optus are coming up with very competitive offerings. Telstra has to match those but against the bottom line that there will be no reductions—in fact, there will be an increase—in quality of service outcome. That is what is a big win for Australia. People in rural areas do need access to these things as cheaply as possible. (Time expired)

Environment: Queensland Land Clearing

Senator BARTLETT (2.35 p.m.)—My question is the Minister for the Environment and Heritage. Does the minister agree that the amount of land clearing continuing to occur in Queensland is a significant national environmental threat? If so, what is he, as national environment minister, doing to stop it other than engaging in a slanging match with the Queensland government?
Senator HILL—I have said on a number of occasions that, in my view, the rate of land clearing currently being carried out in Queensland is too high. It is something like 80 to 90 per cent of current clearing taking place in Australia and it is somewhere between 300,000 and 400,000 hectares a year. Why do I say it is too high? I say that because of the lessons we have learnt from overclearing in the rest of Australia. If clearing is not kept to levels within the sustainability of the natural system, then the natural system will deteriorate, leading to both economic loss and biodiversity loss. That is not in the national interest and it is not in the interest of individual land-holders.

As the honourable senator knows, it is the states that are constitutionally responsible for management of natural resources in this country. All mainland states have taken action in various ways to restrict land clearing, firstly, to protect endangered and vulnerable species and, secondly, to ensure the sustainability of the natural systems. As the honourable senator would know, every other state has also paid for its own responsibility. In other words, in my state of South Australia, which passed legislation some 15 years ago, South Australian taxpayers paid many millions of dollars to enable that law to be effectively implemented. The trouble in Queensland is that the state government is not prepared to implement legislation which will meet its share of national responsibility—in other words, to meet its constitutional obligations.

Senator Bolkus—That is gobbledegook. Of course they have passed the legislation.

Senator HILL—They have not put it into effect, Senator. It has not been proclaimed, and it has not been proclaimed because Mr Beattie sent a bill to the Commonwealth for $103 million and said, ‘If the Commonwealth pays this, then I will proclaim.’ In this country, the states have to meet their responsibility, which includes paying for it. We have said that, over and above the state meeting its responsibility, there may be room for the Commonwealth to assist towards getting good outcomes, because that is in the national interest. That remains our approach. Pursuant to that approach, the Prime Minister and Mr Beattie have now agreed to set up a task force to try to work these issues through and see if we can assist with the achievement of a better outcome in Queensland in relation to natural resource management.

What the Labor Party in this place, and Senator Bolkus, in particular, who has the loudest voice on the subject, should be doing is condemning Mr Beattie for failing to meet his responsibility, his state’s constitutional responsibility; but he will not do that, simply because he is a Labor Premier. It was all right for him to criticise the previous National Party government in Queensland, but since Mr Beattie came to office, there has been no law implemented towards restricting land clearing. Is there any criticism from Senator Bolkus? No, of course there is not. When Queensland meets its responsibility, we will get a better national outcome in relation to land clearing.

Senator BARTLETT—I ask a supplementary question, Madam President. Given the mid-term Bushcare review’s finding that it would be virtually impossible for Bushcare to achieve its goal within the life of the Natural Heritage Trust if there were no reform of land clearing in Queensland and that the federal government has so far refused to commit any assistance, how is the minister going to achieve the Bushcare goal of no net vegetation loss by June next year?

Senator Bolkus—Commission a few studies. That’s what he always does.

The PRESIDENT—Order! Senator Bolkus, you have been interjecting persistently and there will be an opportunity for you to debate this later, if you wish.

Senator HILL—I have said it is going to be very difficult to achieve our goal if the states are not going to be prepared to meet their constitutional responsibility. Not only constitutional responsibility, but the Queensland government, through its predecessor, agreed in the partnership agreement established under the Natural Heritage Trust to do just that. The trust requires a partnership between the states with their constitutional responsibility and us supporting them in meeting that in order to achieve the goals that we are seeking. What the Democrats should
be doing and what Senator Bolkus should be doing, if they are genuinely concerned about the rate of land clearing, is not to say that there ought to be cost shifting to the Commonwealth but to say that the state should meet its constitutional responsibility and should be prepared to pay for it.

Nursing Homes: Riverside

Senator CHRIS EVANS (2.40 p.m.)—My question is directed to Senator Vanstone as the Minister for Justice and Customs. What role does the AFP have in investigating possible criminal conduct resulting in the death of a resident in a private nursing home in Victoria? Isn’t it a fact that the AFP has no jurisdiction to investigate a matter which deals with an offence under state criminal law?

Senator VANSTONE—I am advised that on 6 March this year the Riverside Nursing Home review audit report was sent to the Australian Federal Police by the Department of Health and Aged Care. The report, which included a reference to a dying resident being bathed in a kerosene solution, was sent to the AFP to establish the best way to progress the findings of this type of report from a police perspective. The Department of Health and Aged Care has been advised by the Federal Police that an assessment of the audit report indicates that there are no matters which warrant investigation by the Federal Police. The department has also been advised that the appropriate authorities to which to refer alleged crimes against residents of aged care facilities, in the physical sense, are relevant state and territory police services.

I have also been informed by the Australian Federal Police that the Victorian Coroner has initiated inquiries into the death of the former resident of the Riverside Nursing Home. A meeting has been arranged between the Department of Health and Aged Care and the Federal Police for 13 March to progress discussions which will facilitate the referral of any appropriate matters, should there be any, to the Australian Federal Police, and by that I mean in relation to aged care home reports generally.

Senator CHRIS EVANS—I thank the minister for her answer. Madam President, I ask a supplementary question. Minister, could you advise when you advised the Minister for Aged Care or the Department of Health and Aged Care that there was no role for the AFP in the investigation of a death in a Victorian nursing home?

Senator VANSTONE—it was not me that offered the advice. It was the Australian Federal Police, and I am advised that was this morning.

Mining: Native Title Legislation

Senator EGGLESTON (2.42 p.m.)—My question is to the Minister for Industry, Science and Resources, Senator Minchin. Given the importance of the mining industry to my home state, how will the WA government’s native title legislation improve the prospects for renewed mineral exploration?

Senator MINCHIN—Senator Eggleston is perfectly right: mining is the most important industry in Western Australia and, of course, it is vital to this country as a whole. I remind you that it provides six per cent of our GDP, 45 per cent of our merchandise exports, and employs over 80,000 people, and that much of our manufacturing and service sector relies on the mining industry. Of course, if you are going to have a mining industry, you have to have a healthy exploration industry. If you do not make major discoveries, you do not have a mining industry; it stops dead. Any fall in exploration expenditure should be a matter of national concern.

The fact is that, in the last financial year, minerals exploration expenditure in this country fell by 21 per cent nationally and also 21 per cent in our most important mining state, Western Australia. It is true that the low commodity prices are a factor in that declining expenditure, but the mining industry has clearly indicated accurately that the failure of the Labor Party in Western Australia to support that state government’s native title legislation is a major factor in the decline in exploration expenditure in that state.

In Western Australia, a backlog of thousands of exploration and mining title applications has built up, largely because of the delays caused by the impossibility of dealing with native title applications under Labor’s native title legislation. There are 6,000 appli-
cations stuck right now in the right to negotiate process. Miners are going overseas because they cannot cope with the complications of native title hold-ups here. The amount spent on overseas exploration by Australian companies is now 38 per cent, and rising, of total exploration expenditure. They are voting with their feet and going overseas. The mining industry in Western Australia has told us that no less than 50 per cent—

Senator Bolkus interjecting—

The PRESIDENT—Senator Bolkus, cease interjecting! You have been interjecting throughout this answer, and your conduct is disorderly.

Senator Bolkus—I would now like to raise a point of order relating to relevance. Madam President. The minister knows full well that a relevant part of his answer is to indicate that the Court government have actually stopped processing the applications. To the extent that he is not addressing that and not addressing the fact that Attorney-General Williams has actually knocked back their alternative to section 43A, he is being irrelevant.

The PRESIDENT—Senator Bolkus, you are debating the issue. There is no point of order.

Senator MINCHIN—Senator Bolkus tries to deny the obvious, and the obvious is that 50 per cent of drill rigs in Western Australia are lying idle and 1,500 geologists have been put out of work. We presented a solution to that problem. We did achieve success in having amendments passed to the Native Title Act by this chamber and by this parliament last year. Those amendments included provisions to give state governments the ability to improve their native title processes and get rid of that backlog. The rights of native title claimants were protected. They were guaranteed at least the same procedural rights as equivalent land-holders. Native title holders will have at least the same rights as pastoral lessees, many of whom are in fact Aboriginal people.

The Western Australian government has done absolutely the right thing. It has, in accordance with the Commonwealth law, proposed a state scheme that does ensure at least equivalent rights for native title claimants. That was passed by the Western Australian state parliament, even though it does not have a majority in the upper house, and that legislation is about to be provided to the Commonwealth for the Attorney-General to decide whether to approve it under the federal act. Provided that he finds that it complies, that scheme will come here for the Senate's approval.

I would have thought that the Senate should pass a law validly passed by the state parliament that is in accordance with the law of the Commonwealth and that the Labor Party, of all parties, should support that legislation. But Mr Beazley, of Western Australia, is far too weak to stand up to the Left, to stand up to people like Mr Melham or to stand up to people like Senator Bolkus, who have rolled him repeatedly on this issue. When we released the 10-point plan, Mr Beazley came out and said he would give it his broad support. Within a week he had been rolled by the Left and he backed right off, and he has backed right off on this. Mr Melham has already come out and said that there is no way Labor will support this scheme, even before it has come to the Attorney-General or to this Senate. Mr Beazley is the weakest leader this Labor Party has ever had.

Goods and Services Tax: Input Tax Credits

Senator CROSSIN (2.47 p.m.)—My question is to Senator Kemp. How does the Assistant Treasurer respond to the following situation in which the Darwin based company Delta Car Rentals finds itself? Delta will have to pay 22 per cent sales tax on all vehicles purchased before 1 July, which is also their deadline for 'fleeting up' for the northern tourist reason. They will not be able to claim any input credits on these purchases in the first year of the GST and only 50 per cent in the second year. When they sell these vehicles, they will have to pay 10 per cent GST. On top of this, the 200 vehicles they currently have in their fleet will be devalued by seven to eight per cent overnight with the introduction of the GST. Is there any reason Delta should not believe they will be big losers under the GST?
Senator KEMP—Yes, there is. I always welcome questions from the Labor Party on the GST because, as I think I mentioned yesterday, the Labor Party has now said that it will support a GST. We welcome that. At last it shows some movement from the Labor Party. Mr Beazley said there would be some limited areas for a roll-back, but he did not mention the car industry. On the broader, longer term issue, this is your policy too now, Senator. I am not sure whether you understand that fully. When you have signed on to the GST, you have tried to fence off a couple of areas where you will have a roll-back.

The PRESIDENT—Senator, your remarks should be directed to the chair, not across the chamber.

Senator KEMP—Thank you, Madam President. Mr Beazley has not mentioned any roll-back in the area of motor vehicles. Just as a footnote, in mentioning that he will have a roll-back, he has therefore refused to guarantee the income tax cuts which we will be delivering to the Australian people. One of the areas in which the car industry, car rental companies and, I might say, most Australians who use motor vehicles will benefit is the fact that they will have more money in their pockets after 1 July. But they may not have more money if Labor gets back into office.

Turning to the substance of the question from Senator Crossin, car rental companies and other businesses can offset the GST on the wholesale sales tax paid on vehicles through a combination of responses, including adjusting prices or varying the holding periods of the vehicles concerned over the transitional period. If the transitional impact of the GST results in increased vehicle holding costs, the ACCC price exploitation guidelines should not prevent these costs from being passed on to consumers in the transitional period.

The other point I would make is that motor vehicle users will be one of the major beneficiaries of tax reform. Motor vehicles are subject to a wholesale sales tax of 22 per cent, and we know that that wholesale sales tax will be removed. Motor vehicle price reductions from tax reform of around eight per cent will provide a substantial benefit to motor vehicle users.

Senator George Campbell—Watch it, Nick; he’s just contradicted you.

Senator KEMP—Settle down, Senator George Campbell. The contradiction is that the Labor Party is now supporting a GST. I welcome the interest that Senator Crossin is showing in the GST. The Labor Party back-bench has shown a lot of interest in the GST because the fact of the matter is that it is now Labor Party policy. I would urge the Labor Party to show more interest in the income tax cuts which are a central part of the tax reform package and to make sure that their leader, their very weak leader, Mr Kim Beazley, gives a guarantee on that basis.

Senator CROSSIN—Madam President, I ask a supplementary question. Delta maintain, as you mentioned in your answer when you referred to adjusting prices, that in order to offset this quadruple whammy they will have to increase their prices by well over 10 per cent. In these circumstances, does the Assistant Treasurer stand by the Treasurer’s assertion that there is no need for any prices to rise by the full 10 per cent?

Senator KEMP—Yes, I stand by the assertion of the Treasurer. Yes, I do actually. I think it is very clear from the guidelines which have been released today by the ACCC; the pricing guidelines are very clear.

I think the Labor Party have to face up to a central issue. The central issue the Labor Party have to face up to is that some 10 days ago, or maybe 12, they signed on to the goods and services tax. But what they did not sign on to was the income tax cuts.

Senator Jacinta Collins interjecting—

Senator KEMP—‘In your dreams,’ says Senator Collins. I invite Senator Collins to read what her leader said. The fact of the matter is that the Labor Party have signed on to the goods and services tax but they have not signed on to the income tax cuts. That is the question we will be putting to Labor day after day, month after month, until they give that guarantee to the Australian people. Senator Crossin, if you are standing up after question time, I think you may give that guarantee, too.
Olympic Games: Public Order Laws

Senator WOODLEY (2.54 p.m.)—My question is addressed to the Minister representing the Attorney-General, Senator Amanda Vanstone. The governments of New South Wales and Queensland recently changed their public order laws, giving police and temporary enforcement officers increased powers during the Olympics and subsequent events. Is the government aware that the New South Wales Law Society and others have asked the state government not to proceed with these public order laws which could potentially reduce the capacity for peaceful demonstrations by indigenous and other people during the Olympics? Is the government concerned about state governments using the Olympics to introduce draconian public order laws which may be used by temporary enforcement officers?

Senator VANSTONE—The answer to the question as to whether I am aware that that is what New South Wales has done is no. Am I aware of what the New South Wales Law Society said about the New South Wales proposition? No. Following from that, ‘Will I ask the Attorney who is responsible for the’—

Senator Faulkner—Have you got superdome tickets? Yes.

Senator VANSTONE—No is the answer to that. Senator Faulkner does tempt comments about Senator Richardson’s involvement in the Labor Party network in New South Wales. It will be interesting to see who does have seats, actually.

In any event, Senator Woodley, I will ask the Attorney, who is responsible for Olympic security matters, what advice he has got on the New South Wales plans and get some comments from him, should he have anything to say about that. As you rightly identify, it is a New South Wales state law, but if the Attorney has something to say about it, I will get back to you early next week.

Senator WOODLEY—I thank the minister and I certainly will look for that answer. Minister, would you ask the Attorney whether his concern over recent unfortunate developments with Aboriginal reconciliation and mandatory sentencing may be increased if these laws are passed and whether it may also damage further black and white relations?

Senator VANSTONE—I will ask the Attorney that, Senator Woodley, but can I ask you to bear in mind that the Olympics are a great event for Australia. It is an event that the New South Wales government and the Commonwealth government will be doing everything they can to make sure is not marred in any way. The security undertakings there are absolutely enormous. I think everyone understands that, under those circumstances, security arrangements are not going to be the same as they would be if we were sitting down to morning tea with the Queen.

Goods and Services Tax: Sports Coaching

Senator LUNDY (2.57 p.m.)—My question is to Minister Kemp, the Assistant Treasurer. Is the minister aware that a recent letter from the Australian Coaching Council, a subsidiary of the government’s Sports Commission, to its members has advised that registration fees for the National Coach Accreditation Scheme will rise by the full 10 per cent Howard-Lees GST? How is this possible when the Treasurer has stated he could not think of one item that would rise by the full 10 per cent GST?

Senator KEMP—If there is a concern about the price rise—we made the rules on the prices that are permitted very clear. The ACCC has put out guidelines on those. I have stated that before in question time today. Our rule is the 10 per cent—as Professor Fels says, ‘10 per cent is 10 per cent is 10 per cent.’ If you would like to give me any details of this particular organisation and what they have done, we will always look closely at it, if you are concerned about the price rises.

But, Senator, you have not been all that concerned about price rises and the costs of sport under the wholesale sales tax arrangements. One of the big problems of the previous tax scheme, which until 10 days ago was endorsed by the Labor Party, was that a lot of sporting equipment had a 22 per cent wholesale sales tax on it. We would have hoped that you would be out there pitching for those
sporting organisations and asking the shadow cabinet why it was fair to impose such a high tax on sporting equipment. It would be interesting to see the record and whether you have ever made any representations at all on that issue. I suspect the answer is that you have not made one.

**The PRESIDENT**—Senator Kemp, your remarks should not be addressed across the chamber.

**Senator KEMP**—Let me make it clear that, if there are issues there with the Australian Sports Commission, we would certainly look at them.

**Senator LUNDY**—Madam President, I ask a supplementary question. I am glad the minister mentioned Professor Fels. Is the minister in fact aware that after the GST is applied, the Coaching Council’s module 1 will increase from $15 to $16.50, module 2 will go from $12 to $13.20, and module 3 from $8 to $8.80? Will the minister now be instructing the ACCC to harass and threaten the Australian Coaching Council into ensuring that registration fee increases will be significantly less than the full 10 per cent GST, in the same manner that it has used the ACCC to threaten other businesses?

**Senator KEMP**—I wish the Labor Party could make up its mind. I think if you looked at the questions in this parliament and Senate estimates, they were worried about what they saw as the lack of powers of the ACCC. Now they are worried that the ACCC is going to be taking action. All we are interested in is to make sure that prices are fair and reflect the fact that in many areas there will be substantial cost reductions as a result of the goods and services tax. That is what we are after—fairness—and that is what the Labor Party is not after. That is the point. Could the Labor Party make up its mind about the ACCC? Do they think it has too much power or too little power? Work out a policy—for a change, could you just work out a policy position and then stick to it?

**Senator Hill**—Madam President, I ask that further questions be placed on the Notice Paper.
Telstra—
want to watch their performance on services in the bush.

That is good! He is only the Deputy Prime Minister! But most unbelievably he said:
Well, all I can say is we've not been told where the job losses are but they cannot, inevitably, mostly be in rural areas, they really can't.

This is the Deputy Prime Minister of Australia who has not been told by Telstra where the job losses are going to be. The deputy of the Prime Minister in a mendicant status with a majority government owned agency does not have a clue where these job losses are going to be. It is no wonder that the National Party were late here to question time. No doubt they were caucusing in relation to what they are going to do.

I will turn to the National Party again, because they are supposedly here to represent regional Australia; we know the Liberal party don't. I notice Senator Mason is smiling over there. He is probably smiling about the further 2,000 job cuts that will happen in Queensland as a result of the Telstra cuts. Mrs Dickie, the federal president of the National Party, put out a press release under the heading 'Nationals urge extreme caution on Telstra'. That's telling them. That's telling the government what they should do in relation to Telstra— they urge extreme caution. We have the Deputy Prime Minister saying that he is really concerned about services in relation to the bush, and he is hopeful that Telstra might have cognisance of this, and we have the National Party saying that the government should be very careful. She says—and with some degree of prescience, I have to say:

Telstra has the potential to become the biggest issue across rural and regional Australia at the next federal election.

Ten out of 10 for being on the ball, and what a degree of prescience it is! She then goes on to say:

The government must be extremely cautious of, and appropriately reactive to, public opinion on Telstra...

That is good. After all, the Australian people are the majority shareholder. But where was the government today in relation to the briefing by Dr Switkowski? Nowhere. He was down there by himself and there was no Senator Alston there. As Senator Allison has already said today, Senator Alston is consistent. He consistently says that the government has no role in relation to Telstra and, of course, he said yesterday that Telstra was not owned by the public. Of course, the government retains the majority shareholding in relation to it.

Today we have a stark example of the Prime Minister's commitment to regional Australia being shown to be completely hollow and totally hypocritical. In fact, it has become increasingly obvious as time goes by that that commitment was simply made to get himself out of some very difficult public meetings when he poked his nose out into regional Australia. I agree with members of the coalition who have urged Mr Costello to go out to regional Australia and have a look at what is happening there. I agree with them in calling for Minister Alston to take a more proactive role.

This is a disgrace. There is no doubt that the Prime Minister has in fact totally repudiated his commitment to regional Australia. And the National Party is right: it will be a big issue at the next election, and I believe it will be an issue that will see the end of the National Party. (Time expired)

**Senator TIERNEY** (New South Wales) (3.07 p.m.)—Senator Mackay has got a very short memory. Let us look back to Labor's history on this matter. Let me, Senator Mackay, take you back to 1991. We did have a telecommunications minister at that time, and there is no prize for guessing who it was: it was one Kim Beazley. Let me quote what Kim Beazley had to say in 1991:

Telecom has to vary its structure to face future competition. It has to restructure its work force.

Of course, at that time there were 17,610 jobs shed from Telstra. What humbug from this opposition and what humbug from Mr Beazley, whom I was listening to in the House today discussing this issue. We must remember that he was the minister who started this downsizing process. He justified it then; it can be justified now, because of what is happening in the restructuring of telecommunications in this country. We have an
industry in telecommunications that is growing at 12 per cent a year. There are massive job opportunities. What has already happened out of this proposed work force shedding of 10,000 over two years is that 88 per cent have already found other jobs. The other thing that has happened of course is that, although these jobs might be disappearing from the payroll of Telstra, the jobs are not disappearing. Many of those jobs still have to be done, and they will be outsourced and other communication workers—or, indeed, redeployed Telstra workers—will be the ones picking up those jobs.

So, what is going to happen? We will restructure the industry. And Mr Beazley in 1991 recognised we were going to restructure the industry; he justified back then that loss of 17,600 jobs by the fact that the then monopolist had to make way for competition. What he said is that even though Telstra was going to lose employees, Optus and the other providers would pick them up. And Mr Beazley was right. That is exactly what happened in the early nineties, and it is exactly what is going to happen from this change in the employment structure.

What we have to do is to make sure that, in all of this change as the industry restructures, the services that are provided, particularly the services to the bush, are maintained. This is not up to Telstra to decide. This is not up to Optus to decide. This is a matter of Commonwealth law. What we have in place through the Telecommunications Act is two major provisions: one is a universal service obligation of what services Telstra has to provide and the other is a customer guarantee. Under those requirements Telstra, or any other provider, can be fined up to millions of dollars for not meeting certain standards, and that is what will happen. That is what keeps them on the straight and narrow. That is what keeps them moving through, providing services to the bush.

Mr Howard did speak to the heads of Telstra yesterday morning. He said this in question time this afternoon. He said that services had improved but there was still a way to go; and there certainly is, because I can remember the level of services that was provided under the Labor government out in the bush.

There was a very embarrassing and damming report tabled in 1994, and that debate was had in this chamber, on western and south-western NSW and the absolutely appalling standards in terms of the services that were provided by Telstra at that time. They have improved; they have come a long way; they have put in new technology. What this government has done is underpin that with legislation to make sure that keeps improving.

It will keep improving. The industry is restructuring. It has a bright future. Jobs are going to increase dramatically in this industry, as indeed they have under the Howard government. We had today announced an unemployment rate of 6.7 per cent. Since the Howard government was elected 650,000 new jobs have been created. You might keep your eyes on the jobs that are actually going to be picked up in other areas of the telecommunications industry. The job boom created by the Howard government will continue not only in telecommunications but right across the entire economy.

Senator MARK BISHOP (Western Australia) (3.12 p.m.)—As I looked at the press this morning the thought came to me that the reports concerning Telstra were both glorious and terrible—glorious, of course, for those Australian shareholders who hold shares in Telstra; glorious that the half-yearly profit was in the order of $2.1 billion; glorious that the interim dividend will increase to 8c per share; and glorious for various fund managers and the like, who will return some or all of those proceeds to various unit holders. In a perfect world we would all pat Telstra on the back and go about our business. Similar arguments can be made about the returns of various banks and financial institutions over the last six to eight years—glorious in terms of growth, glorious in terms of share price valuation increase, glorious in terms of return to superannuation funds and unit holders.

But that, of course, is not the end of the story. I am rapidly coming to the view that in this area we are playing a zero sum game. Something is seriously wrong in the Australian business community. Something is seriously wrong in the government of this nation. Something is seriously wrong when the largest shareholder, holder of stock worth $50
billion or $60 billion, can walk away from 10,000 people; walks away from 90 per cent of the landmass of Australia; walks away from towns and small cities in regional Australia; walks away from entire communities in Tasmania, the Northern Territory, the north-west of Western Australia, western New South Wales, Western Queensland and Far North Queensland. Something is seriously wrong when the Australian government can applaud the loss of 10,000 jobs or 16,000 jobs. Something is seriously wrong when the Australian government allows, permits or encourages the destruction of jobs, the loss of family income and harm to local communities.

Something is also terribly wrong when the Australian parliament has directly given power to a minister of the Crown to intervene and issue instructions that would stop or delay this process—that would reverse this process to allow a breathing space for thousands of families and hundreds of communities to reorder and reorganise their lives. But Minister Alston refuses to do anything—he consistently and constantly refuses to intervene. The minister and this government love what is occurring. The minister encourages Telstra to go harder, to sack more people, to harm more families and to ruin more communities. These are not my words and they are not the words of the opposition—they are the words of a member of the government who properly and correctly says that the minister is a national disgrace with no credibility inside or outside this parliament. Any fool, any government, any minister can do nothing—can refuse to intervene and applaud massive profits at the expense of 10,000 workers. It requires special courage and special fortitude to intervene and direct Telstra to stop sacking and dismissing 10,000 workers. It requires concern for everyone, not just shareholders. It requires respect for all Australians, not just those people who live in our major cities. It requires special assistance for rural and regional Australia, not just platitudes. It requires a real government and a real minister to do what is ethically correct. On every count, this minister has refused to intervene. He offers a form of an apology, a form of an excuse—he offers platitudes but nothing real. Behind the scenes, this government, this ministry and this minister applaud the degree of restructuring that is occurring. They applaud the loss of 10,000 jobs across Australia. Those jobs, by and large, are in rural areas where there are not immediate replacements. *(Time expired)*

**Senator MASON (Queensland)** *(3.17 p.m.)*—One of the great lessons of the 20th century was that government owned monopolies served themselves first and the people second. Competition and market forces have grown the economy in this country, not government owned monopolies. I thought the Australian Labor Party had learnt during the eighties and the nineties that competition for government monopolies was extremely important. That is what the Hawke government brought to the Labor Party and, indeed, it was followed up by Mr Keating. Both the Commonwealth Bank and Qantas were privatised by the Labor Party, and that was a right decision. Indeed, the Labor Party itself created the environment for competition in telecommunications in this country when it created the duopoly of Telstra and Optus. This party will conclude the endgame. We want to privatise Telstra; we have to because we are dealing with the most competitive environment in the world. It is an industry that is changing all the time, and the only way it can continue to do so is to make decisions—as the directors have to—based on commercial reality. Telstra is not a charity.

It is a pity—I agree with the opposition—that some workers were made redundant. It is perhaps a pity, too, that between 1991 and 1994, when 17,000 jobs were shed, not so many tears flowed. Fortunately, however, there has been a 9 per cent growth each year in the telecommunications industry and many of these people will pick up jobs in that industry. More importantly and more broadly, the rate of unemployment is falling. The Australian economy is now one of the strongest in the Western world. This government has taken the economy from being a weak economy in a strong region to being a very strong economy in a weak region. We did that against the Australian Labor Party’s opposition. We now have one of the strongest economies in the Western world. In short, community service obligations are very im-
important. There are guarantees on price caps, universal service obligations and untimed local calls. The government will stick to those guarantees, including $5.7 billion that Telstra announced for investment over four years in non-metropolitan communication systems.

What has all this meant for the average person? It has meant that I can sit in my Brisbane office and call Senator Ludwig for as low as 15c for an untimed local call and that I can talk to him all day. My good friend Senator Carr is not here today, unfortunately, but I could call him in Havana or Melbourne or wherever he happened to be, knowing that the price of an STD call has fallen over 40 per cent in the last few years. When Senator Carr calls his friend Red Ken Livingstone in the Greater London Council to discuss the great merits of socialism he can do that for 17.5c per minute. This is a fall in the rate of overseas calls of nearly 80 per cent and it has been brought about by competition that was consistently opposed by the Australian Labor Party. This government had the guts to make the hard decisions and the endgame will be the final privatisation of Telstra. Just like you have adopted our policies on the economy over the last 20 years—and you will adopt our policies on welfare—it is going to happen: Telstra will be sold ultimately. We will win this debate. Telstra will be sold and then, finally, we can pay off much of the debt that your party has left over the last century. Telstra exists today to provide service, not jobs.

Senator Crossin—What can I say after that outburst? Senator Mason, you make a number of false assumptions in your speech.

Senator Crossin—That is right: Telstra is not a welfare organisation. You are right, Senator Mason; it is not a charity either. But it is a service delivery organisation. It has an obligation to deliver the best service it possibly can to Australia and to people in the bush. So let us talk about people in the bush and people in rural and regional Australia.

Even this morning, John Anderson, the Deputy Prime Minister, was saying that they—meaning, I am assuming, the National Party—will need to be convinced that proposed job cuts will not affect service levels; they have not been given that guarantee. If you think that service levels in rural and regional Australia are bad and if you are worried about jobs in rural and regional Australia and if you are worried about customer service guarantees out there in the bush, then your worries are going to get even worse, because this is a government that does not particularly care about rural and regional Australia. They have learnt nothing from the demise of the Kennett government in Victoria, and that is what will happen to them when we face the polls at the next election.

But what we have got here is a CEO of Telstra speaking out of both sides of his mouth. He says, on the one hand, that there will not be job losses out bush and that the jobs that will be cut in Telstra will not be affected by decisions that he has made today. Yet, at the same time, he is also saying that the regional call centres will stay open. How can you maintain a commitment to leave those centres open but not specify where the job cuts will be? So we have got a CEO who has not quite come to terms with what he has
actually announced today, and there are a lot of anomalies in what he has announced. We have a minister who is actually trying to privatise Telstra through the backdoor, a minister who really walks around with a mask over his face because, in setting up the network and design corporation as a separate entity under Telstra, it will now be sold off and it will be privatised. So it is privatisation through the backdoor.

Senator Woodley—It will go the same way as the phone boxes.

Senator CROSSIN—Exactly. There are two things this government have been dishonest about. This government have not got enough temerity to bring that proposal back before the parliament and ask us what we think about the network and design corporation being sold off to honour their commitment that no more than 49.9 per cent of Telstra will be privatised and 50.1 per cent will remain in the public’s hands. They are not prepared to bring that proposal back to the parliament for us to have a look at it. It is just privatisation through the backdoor. They have been dishonest about what they have done in this area.

The other thing they are being dishonest about is protecting jobs, protecting families and protecting rural and regional Australia. The Prime Minister and the Deputy Prime Minister have shown that they are not prepared to step in as a 51 per cent shareholder on behalf of the people of this country and ask where those job losses are and demand that the job losses not happen. They are not standing up for people in the bush and they are not prepared to ensure that Telstra maintains its commitment, maintains its service delivery and ensures that we have a world best communication system for the best possible price we can.

Senator McGAURAN (Victoria) (3.27 p.m.)—I will finish off this debate, given that the speakers on our side of the House, particularly Senator Mason, presented the case superbly and passionately and put the merits before Senator Crossin, who duly got up and failed to build her case at all. What Senator Crossin and those on the other side had to answer first up was: if this announcement was made yesterday morning, why are you just bringing it up now? Where is your real concern and where is your passion? You happen to have read the papers this morning, and that is how you are driven. This announcement is not new. It was announced more than 48 hours ago, Senator Crossin, and now you just bring it before the Senate with all the feigned passion that you could possibly muster and try and build a case that there is a link between privatisation and unemployment. Well, that link first began with Mr Beazley when he was the minister for telecommunications, when 17,000 members of then Telecom lost their jobs under his stewardship. And what was his justification? It was not dissimilar to what we are saying today—that restructure within the telecommunications industry is most necessary. In fact, it was the other side of the House when they were in government that set this whole process in train, that set in train the process of bringing competition into this industry, and today we have some 37 licensed carriers.

That is why Telstra has had to adjust. The old monopoly is now in a competitive market. It is now having to meet competitive standards, to meet new technological standards, to meet new productivity standards, and it is all wrapped up in competitive pressures. Thankfully, this is an industry that is growing at a rate of some 12 per cent. As previous speakers have outlined, it can be tracked that 88 per cent of former Telstra lay-offs have in fact been picked up by other industries. And that was what the Labor Party said when there were huge lay-offs in their time of government. They said that other carriers would pick up the redundant Telstra employees, and that is exactly what happened.

The Telstra announcements tell us that 8,000 of the 10,000 positions will be made redundant. Some 2,000 positions will be outsourced, and 3,000 positions will be reduced by natural attrition. They go on to say that Telstra will hire an additional 3,000 staff to meet different skill needs within the growing industry. So, if you break down the 10,000, it is not as dramatic as it at first sounds. Some 3,000 new staff will be employed, 3,000 positions will be reduced through natural attrition and 2,000 positions will be outsourced.
Do your sums on that, and it is nothing near the 10,000. Nevertheless, I can say that it is most regrettable that this does occur. When I see these big lay-offs by Telstra, I wonder how many more people they can lay off. Since 1991, when Mr Beazley was the minister for employment, there have been some 17,000 of them—all I can say is that they must have been overloaded with employees. It is most regrettable.

We have confidence in the industry as a whole and in the fact that these employees will be picked up. This is a case of a monopoly now moving into a competitive situation, and there are now 37 licensed carriers. The responsibility of this government is in that industry. We are not walking away from it. We particularly have a responsibility in rural and regional Australia in three areas: the delivery of technology, services and prices of a standard equal to those in the metropolitan areas. We have a responsibility to ensure that there is no discrimination in pricing between the city and metropolitan areas. In all three of those areas, we have delivered. In the area of technology, we have delivered in the social bonus—over $1 billion in the last privatisation sale of Telstra, which the opposition stood against. In the area of services, we were the only government to introduce the very strict regime of the customer service guarantee. In the area of prices, anyone who has seen information about Telstra's email service—where prices have tumbled to as low as 15c for a local call—over the last couple of weeks will see how competitive that market has become. (Time expired)

Question resolved in the affirmative.

MATTERS OF URGENCY

Vegetation Clearance in Queensland

The DEPUTY PRESIDENT—Order! The President has received the following letter from Senator Bartlett:

Under Standing Order 75, I wish to move that in the opinion of the Senate the following be debated as a Matter of Urgency:

(a) the unacceptably and unsustainably high levels of vegetation clearance continuing to occur in Queensland, with the resulting consequences of soil and water degradation, high greenhouse gas emissions and the threats to endangered species and the maintenance of biodiversity; and

(b) the failure of the federal government to take concrete action to ensure that this major environmental threat is addressed.

(Andrew Bartlett)

Democrat Senator for Queensland

Is the proposal supported?

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

Senator BARTLETT (Queensland) (3.33 p.m.)—In all the various matters of urgency that have been debated in this chamber over the years, few could be better examples of something that is urgent. This is a major environmental crisis. The Minister for the Environment and Heritage himself said in question time, half an hour or so ago, that this is against the national interest and a national environmental problem. Yet it is something that nothing is being done about at a national level. It is occurring as we speak, from dawn until dusk. Bulldozer contractors are booked out for months in advance in Queensland. This problem has been urgent for not just months but years, and yet still nothing is done, particularly at the federal level.

I am certainly not going to defend or justify every action of the Beattie Labor government in the area of the environment and, particularly, of land clearing. There is a lot to criticise them about, but we are here in the federal parliament debating an issue of national environmental significance. The matter of urgency is that there is no action happening at a national level. Even the action that has occurred at the state level has not been backed up with any assistance at the federal level.

I do not think there is much need to justify the first part of this motion—the fact that this is an environmental emergency. Indeed, the minister himself has already admitted as much in question time. But it is worth putting briefly on the record the scale of the problem. A total of 227 different, separate ecosystems are under threat from land clearing in Queensland as we speak. The area of endangered and ‘of concern’ ecosystems at risk is approximately 3.5 million hectares. On a list of countries around the world, in terms of the rate of clearing, Australia is at best fifth and
quite possibly now moving further up that table to fourth or third. There can be no dispute that the situation is completely unsustainable and that major, long-term environmental damage is being done, and yet no action is being taken.

I had a letter from a constituent today which put the situation perfectly in an analogy with Nero fiddling while Rome burned. Nero was only a street busker compared with the actions of the federal government in this. There has been no action. There have been lots of words and lots of complaints about the inactivity or failures of the Queensland government. I asked the minister in question time what he was going to do about it, other than complain about the Queensland government. He then proceeded to complain about the Queensland government. I can complain about the Queensland government as well—but I do not think that is a satisfactory answer for something that is such a major national environmental issue.

It is a situation in which the federal government has powers and responsibilities in terms of not just Australia’s own national interest but also conventions that Australia has signed, not least the Kyoto Protocol. While that has not been ratified yet, Australia is a signatory to that. Land clearing in Queensland, as is widely known, is a major contributor to Australia’s national greenhouse gas emissions.

We also have obligations under the UN Convention on Biological Diversity which are being breached left, right and centre in Queensland day after day, month after month and year after year, while no action is being taken by the Australian government at the national level to ensure that Australia meets its obligations under that convention. One wonders why all that money is spent on sending people to develop, negotiate and agree to such conventions if governments then do nothing to ensure they are enforced.

While we are on the topic of money, there has been a lot of talk in recent times about Telstra and what the money from any future sale of Telstra might be used for. Let us look at where money from the sale of the first part of Telstra went: to the Natural Heritage Trust. The government made such a big noise about it being such a major environmental initiative on their part. It is the cornerstone of all that the government have to point to in terms of environmental initiatives yet, in question time today, the federal environment minister basically admitted that the target of the Bushcare program—a major component of NHT funding—is not going to be met. That is the Queensland government’s fault, according to the federal government. I do not really care whose fault it is. We have sold off part of this major national asset and put money into Bushcare, and clearly the goals of that program have not been met. And they are not going to be met, according to the minister’s own ratios: the ratio of tree planting to tree destruction is about 1:100.

The Telstra sale money has gone into volunteer planting of a bit over 10,000 hectares of trees. All that money has been spent on planting 10,000 hectares of trees and yet there has been no commitment for any money to be spent to stop the clearing of hundreds of thousands of hectares. Clearly that is a false economy; clearly it shows that we are more interested in feelgood programs of tree planting than actually doing something to stop the damage that is happening now. Even where the government has fenced off areas, for every one tree protected by fencing, 10 are destroyed. We could save 30 times more trees per dollar than we currently do by putting funds into ensuring that there is viable Queensland land clearing protection which would protect up to 4 million hectares, or 940 million trees. Those are the sorts of things that would make a real difference and that would stop the major environmental problems that will be visited upon us, without doubt, if nothing is done. Nothing is being done. There could be nothing more urgent than this issue.

Senator Eggleston (Western Australia) (3.40 p.m.)—This motion is one which, at least in part, I am sure nobody would disagree with. There have been unacceptably and unsustainably high levels of vegetation clearance occurring in Queensland, and I can only say that Senator Bartlett is right. The question of the damage done to the Australian environment by unsustainable land clear-
ance has been a story of really severe damage not only in Queensland but also in my own state of Western Australia, where land clearance programs in the 1960s—when the state government was proud to declare that it was clearing a million acres a year—have resulted in huge salination problems in the wheat belt and the salination of many rivers in the south-west of Western Australia. People forget how fragile the ecology of the south-west of Western Australia is. Western Australia is a very dry state with very little water. We have this green and beautiful south-west corner, but the clearing of forests or farmland has had a devastating impact on the country in Western Australia and in the south-west.

Similarly, in the Murray-Darling Basin, clearing has had a devastating impact in terms of the salination of the country. In all other mainland states, the lesson of the consequences of clearing has been learned; in Queensland, it seems those lessons have been ignored. Despite clear evidence from other parts of Australia, land clearing in Queensland has continued to burgeon, with some 90 per cent of land clearing throughout the country occurring in that state. Indeed, during the past year, some 400,000 hectares of land were cleared in Queensland alone.

Given the implications of this process, one might ask what the Queensland government has done to stop this land clearing. The answer, of course, sadly, is ‘not very much’, unless you count the recent actions of Premier Beattie who, in the latter part of last year, announced that his government would introduce legislation to deal with land clearing provided the Commonwealth provided the Queensland government with $100 million in funding. At the same time, he refused to provide details to the federal government of the legislation he would introduce, including the level of funding the Queensland government was prepared to contribute itself. It has been only very reluctantly that he recently revealed those sorts of details. One must wonder about the priorities of the ALP Premier of Queensland. While he was being so difficult about providing funding for the protection of the environment in Queensland and cutting back land clearing programs, he was going out of his way to offer inducements and incentives to Richard Branson’s Virgin Airlines to lure them to Queensland. Money could be found to get Virgin Airlines to Queensland to bring tourists to the coast of Queensland, but no money could be found in the Queensland budget, it seemed, to save the Queensland countryside and bushland. Premier Beattie’s sense of priorities is very short term, and he needs to think very carefully about the damage he is doing to the Queensland environment.

What about the federal scene? Part 2 of Senator Bartlett’s motion talks about ‘the failure of the federal government to take concrete action to ensure that this major environmental threat is addressed’. What action has the federal government taken since it has been in office? Obviously the ALP, the previous federal government, did very little about it, because the need to provide major programs was there when the Howard government came to office, and the Howard government did that through the Natural Heritage Trust. As we know, through the $1.5 billion Natural Heritage Trust the Howard government has provided programs to look after Australia’s land care needs; to care for the waterways, rivers, coasts and forests of Australia; and to preserve Australia’s natural vegetation. This program was funded through the partial sale of Telstra, and it obviously was the greatest program to protect the environment which the Australian nation had ever seen.

As part of that program the Commonwealth insisted that all state and territory governments sign the Natural Heritage Trust partnership agreements which, among other things, committed them to protecting native vegetation and introducing controls on unsustainable land clearing. The federal government established a $350 million Bushcare program, the goal of which was to achieve, for the first time in Australian history, a net increase in native vegetation across Australia. All mainland states, except Queensland, as I have said, recognised years ago that controls on unsustainable land clearing were an essential component of turning around the mistakes of the past. Most importantly within the context of this debate, all state governments, except Queensland, have recognised
their constitutional responsibility to introduce such programs and regulations without demanding, as Queensland has, an extra $100 million from the Commonwealth to do so. South Australia, by contrast, spent $70 million in the mid-1980s to provide assistance to landholders when it introduced controls on land clearing in that state. South Australia did not come running to Canberra threatening to withdraw legislation unless it was given an extra $100 million in the way Premier Beattie of Queensland did.

The Commonwealth government is very willing to make a contribution to better land management outcomes in Queensland, but it is not going to let the Queensland government avoid its primary constitutional responsibility in this matter. The Commonwealth government expects Queensland to exercise the same kind of responsibility in terms of preserving natural vegetation as the other states do. The problem, in other words, lies not with the federal government, as Senator Bartlett would have you believe, but very much with the ALP state government in Queensland, which has acted with total irresponsibility in this matter.

Let us have a look at what the federal government has already provided to Queensland in terms of protection of the environment. Through the Natural Heritage Trust, Queensland has received over $100 million in assistance, $21 million of which has been specifically allocated over the last three years to better vegetation outcomes through the Bushcare program. As I have said, Premier Beattie, rather than going ahead with a Bushcare program in his state, instead has gone ahead and cleared 400,000 hectares per annum. Also, before he will proceed with a state program, he is now demanding that the Commonwealth government hand over another $100 million for financial assistance to landholders. That, of course, is quite outrageous. So, far from the Commonwealth being at fault here, as Senator Bartlett would claim, the Queensland government is acting a little bit like Ned Kelly and demanding, ‘Your money or your life!’ In this case, it is: ‘Your money or the bush, or the bush will die!’ In the last budget, in fact, Premier Beattie cut $50 million out of his environment department’s budget. He is now saying that he will put back $20 million as his contribution to better environmental outcomes in Queensland. Big deal! Until Premier Beattie exercises more responsibility, we are not going to see better environmental outcomes in Queensland.

The Prime Minister recently agreed to establish a task force between the Commonwealth and Queensland governments to work through the legislation and come up with some sort of financial assistance package for the landholders of Queensland. Again, the Commonwealth is acting with a sense of responsibility to the needs of Queensland, while the Queensland government is seeking to hold the Commonwealth to ransom. (Time expired)

Senator BOLKUS (South Australia) (3.50 p.m.)—I would start by staying to the chamber and to Senator Eggleston that it was a sad and non-constructive response that we received this afternoon from the government to this issue. I am sure that Senator Bartlett and people interested in this area would have been looking for something more constructive. I do not blame Senator Eggleston for this, because obviously he was given a set of notes from the minister’s office which relate and reflect the government’s reaction to this issue. I would say to Senator Eggleston that, when he is told, ‘Look, the Beattie government is not prepared to put any money in and it has come to
us with a bill for $103 million,' he should go back to Senator Hill and make it clear to him that the Beattie government is, in fact, prepared to put $111 million into a management budget in this particular instance, because that is Queensland's part of the proposal.

Also, Senator Eggleston should remind Senator Hill that on numerous occasions Senator Hill is on record—whether in this place, on the radio in Queensland or in correspondence to the Queensland Premier—as saying such words as 'in relation to funding, Commonwealth support would of course be supplementary to that of a serious Queensland commitment'. If $111 million is not serious, then ask Senator Hill what is. It is a serious commitment, it is a serious problem and it is not at all helped by this putting up of barricades approach of the federal government.

The issue we are debating this afternoon is clearly of national and international significance. On a national level, ongoing uncontrolled land clearing is contributing to increased salinity, greenhouse gas emissions, land and water degradation, habitat destruction and loss of biodiversity. Continuing clearing will leave future generations with a huge environmental restoration bill. At an international level, our reputation as a nation is at stake. We are already viewed as an environmental pariah for the position we took at Kyoto and the special deal we got through the 'Australian clause' on including land use changes in our greenhouse gas emissions baseline. We are now clearing more native vegetation than any other developed country. We have one of the highest rates of land clearing in the world, outpaced only by Brazil, Indonesia, Congo and Bolivia. This is not a group we should be proud to be a member of.

Land clearing goes on despite this government claiming to have some responsibility in the area. This government is not fulfilling such a responsibility. At a rate of some 400,000 hectares per annum, Queensland's land clearing accounts for some 80 per cent of all tree clearing in Australia. Land clearing is also estimated to contribute some 13 per cent of Australia's greenhouse emissions. Let us not make any mistake: the rate of land clearing in Queensland is unsustainable and unacceptable. We agree across the chamber in respect of that. The impacts of it are widespread and quite deep in many circumstances.

Let us get a fix on the problem. Currently, less than four per cent of Queensland is occupied by national parks. Therefore, the protection of this state's biodiversity is primarily dependent upon land use practices on freehold and leasehold land. We should acknowledge also that significant work has already been done in recent years in acknowledging and encouraging land-holders to adopt a land care ethic. Many land-holders have changed their land management practices in the face of economic pressures. However, our concern is—and I am sure it is the concern of Senator Bartlett and the Democrats—that changes in attitude may be too slow. What we do need to recognise is that responses based solely on voluntary measures have not been found to be effective, either in Australia or anywhere else in the world. As a consequence, you do have legislation in Queensland. As a consequence, you do have the federal government expressing concern about land clearing. The direct consequence of that should be a meaningful response.

As I said earlier, this has been identified as a national issue. The 1996 state of the environment report makes it very clear that habitat destruction and fragmentation caused by vegetation clearing may be Australia's most serious environmental problem. The national document identifies this as one of the most, if not the most, serious environmental problems. Yet land clearing was not included in the new environment legislation passed by the Senate a few months ago. Its nomination as a key threatening process under the old Endangered Species Protection Act was twice rejected by the environment minister, Senator Hill.

What is of major concern, and it came out in Senator Bartlett's contribution this afternoon, is that in recent years the federal government has dropped the ball in terms of its responsibility in this area. A key goal identified in the Commonwealth government's Natural Heritage Trust is to reverse the long-term decline in the extent and quality of Australia's native vegetation cover. Yet the
government is now trying to put all the blame for the failure of its expensive National Heritage Trust to deliver outcomes on the states.

Years of coalition government in Queensland have failed to deliver land clearing legislation, and now the Queensland Labor government have introduced this legislation. Let me put on the record that it is legislation that Senator Hill has encouraged them to introduce on a number of occasions. He is on the record as talking about an adequate regulatory response. They have done that. He is also on the record as saying that, were they to do that and make a commitment, he would provide funding. We have the legislation and now we have a Commonwealth minister who in the past has said, ‘Legislate and we will assist,’ and is now saying. ‘There is no real assistance available for you under Commonwealth programs and moneys.’ It is important legislation. It provides a capacity to implement a sustainable vegetation management practice across all land tenures in Queensland. It presents to the Commonwealth and to the national budget the most cost-effective outcome in terms of addressing this particular problem.

This government’s position stands in stark contrast to their position when they were in opposition. In March 1995, the then spokesperson, Ian Macdonald, moved as a matter of urgency in the Senate:

The coalition’s policy ... calls for an end to broadacre land clearing with compensation to owners to be negotiated between the Commonwealth and the states for the loss of further earnings ...

That was their pre-election promise. They have a commitment. The most cost-effective approach to addressing this particular problem is to fund the sort of resources that Queensland needs from the federal government under the NHT. In recent days, the Australian Conservation Foundation has estimated that some 30 times more trees per dollar could be saved were the money to be invested in supporting the Queensland tree clearing legislation. There is no more cost-effective program than the one that the Beattie government presents.

Yet despite commitments by the minister, we now have the Prime Minister coming in and basically doing what he knows best, what he always does best—that is, playing politics with an issue. He discards any real responsibility in terms of achieving outcomes for taxpayers’ money. He discards any real concern for vegetation and the destructive effect land clearing has in respect of it. He discards any real concern for long-term sustainability on the farms involved and for the people on the land. Instead he plays politics. This is an opportunity for the Prime Minister, despite the fact that he may embarrass his own environment minister, to say, ‘Let’s put Beattie up against the wall in Queensland and let’s get behind Borbidge and see whether we can cause damage to Labor politically.’

It will not stack up. The government’s review of its own Natural Heritage Trust—these are not my words—has indicated that it has failed. It has failed because, in a sense, it has disbursed a lot of money across the board, but it has not really targeted some of the major problems. This is the government that promised that issues such as this, that deep-seated problems such as this, would be responded to by, as it said, the biggest ever rescue package for the environment. Its own review recommends that the use of the Natural Heritage Trust funds should be deployed for essentials such as the stopping of further clearing of land. But that is not happening, and it is not happening because politics has intervened and it is an opportunity to set Beattie up.

This is not good enough. We are talking here of a Natural Heritage Trust which has available to it some $253 million. We are talking here of an identified cost-effective approach available to government. But what we have in response from government is a total state of amnesia, forgetting all previous commitments and undertakings from Senator Hill—and there are pages of them which indicated that support would be forthcoming. They have just dumped that and played politics. (Time expired)

**Senator BOSWELL** (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Serv-
ices) (4.00 p.m.)—The urgency motion today addresses two topics: (a) the unacceptably and unsustainably high levels of vegetation clearance continuing to occur in Queensland, with the resulting consequences of soil and water degradation, high greenhouse gas emissions and the threats to endangered species and the maintenance of biodiversity; and (b) the failure of the federal government to take concrete action to ensure that this major environmental threat is addressed.

The facts are these: the Beattie government brought forward legislation, rushed it through the parliament with no consultation process, and then went out to try to sell the Beattie plan. There may well be a need to contain some of the tree clearing. I do not think that would be disputed. But what is disputed by every grazier in Queensland and Agforce—a peak body that represents these graziers—is the way in which the Premier acted in bringing in this legislation. The legislation was slammed through parliament and then Labor went out to try to sell it.

This has enraged graziers to the same depth as has the native title bill. We saw 1,500 graziers at Roma last week and 1,500 graziers at Longreach a couple of weeks ago. They are absolutely devastated that their livelihoods are going to be restricted or taken away from them. A number of them are saying, ‘You’ve got us out there on a property. We are growing wool. No-one wants the wool. We cannot clear our land. We cannot do anything else. You are locking us into a life of poverty because we cannot utilise the assets that we have.’

There are many forests out there that consist of regrowth trees. Some would maintain that there are more trees out there—not on their particular properties—than there were 40, 50, 60 years ago. They want the government to recognise this. They want the government to recognise their problems. But no—they went straight in, whacked the legislation through, and then hoped for the best. They have sent the bill for $111 million to the federal government—they will put up something like $1 for every $10—and expect the good old federal government to pick up the bill for the Labor state government.

I just want to speak on behalf of the graziers. There was one young lady, a 16-year-old girl, at the tree clearing rally at Roma last weekend. In just seven words this fourth generation young lady from the bush summed up the problems facing the graziers. Senator Bartlett’s urgency motion has no room in it for this girl and thousands like her. Her dream is that she will be able to grow up like her father and grandfather and have a cattle property that will be sustainable and produce products that will be able to keep her on the land. That is not a bad dream for a youngster in the bush. We are going to need people with these visions and dreams. We are not going to be able to fund our social and environmental programs without the prosperity that comes from viable agricultural industries and their exports.

Senator Bartlett has a dream too. His vision is for free-range chooks. That is his little vision. We have seen him promoting that cause. But the National Party’s dreams are a bit wider than that: we want sustainable, wealth producing industries and jobs. That schoolgirl knows better than anyone—she knows better than Senator Bartlett and anyone in the Democrats—that they need their land protected for future generations. Farmers are environmentalists. They have to be environmentalists. They own properties, and if they are not environmentalists those properties will not sustain their livelihoods for the next 10 years and for the next generation. That is what irks them out there. They have to live on the land. They have to maintain the land. They have to get an income out of the land, and they know that if they overservice that land or overproduce from that land it will not be there for them in the next generation.

The Queensland Country Life editorial this week said, ‘Labor is not counting on votes in the bush but is promoting its green credentials in the urban media, and that appears to be a far greater concern to the Labor government.’ That is quite correct. Mr Beattie was out there last week, and what did he do? From the stage, he suggested that the graziers give Pauline Hanson a cheer. Why not? If you are a Labor Party Premier, why not ask
them to give Pauline Hanson a cheer? If they help One Nation, that helps him stay in office. That is how concerned about rural Queensland the Premier is. He is encouraging the graziers to support Pauline Hanson because he knows that a vote for Pauline Hanson is a vote, in effect, for the Labor Party.

As the clock runs out, I want to leave this impression with the Senate. There is recognition out there that you must have a sustainable environment—that is recognised by the farmers. But it is also recognised that, if you want their support, you have to come to them, you have to give them some seat at the table. (Time expired)

Senator LUDWIG (Queensland) (4.08 p.m.)—Firstly, before I address the substantive matters in the urgency motion, let me recount some of the issues that have led us here today. The Vegetation Management Bill was passed by the Queensland parliament in December 1999, but it sits there awaiting a deal to be struck between the Queensland and Commonwealth governments on financial assistance for land-holders. The bill itself provides a framework for the vegetation management of Queensland. It appears, when we talk about compensation or assistance, that there are three main types of assistance envisaged: firstly, buying a property outright; secondly, where there is a partial effect on land value due to clearance restrictions; and, thirdly, financial assistance to improve on property vegetation management.

This is clearly not going to be an inexpensive exercise, and it is one that needs federal government support. The Queensland government recognises that land clearing is a national issue. The most recent national assessment of land clearing undertaken by the Bureau of Rural Sciences reported that, during the 1991 to 1995 period, Queensland accounted for 81 per cent of all native vegetation clearing that took place in Australia. The introduction of tighter clearing controls on leasehold land in Queensland during 1995 under the Land Act has had some impact. However, clearing rates on freehold land increased by 55 per cent after 1995—hence the need for a new approach. In broad terms, the Vegetation Management Bill gives the state government significantly more power to regulate the clearing of vegetation on freehold land, in particular through requiring the development of regional vegetation management policy and providing for the development of regional vegetation management plans following public consultation—it is not bereft of consultation—which will then set out detailed assessment criteria for what sort of clearing is likely to be allowed in each region. Of course, it has the other usual features of bills. The way it will work is that some types of clearing are exempt from the covering of the bill and do not require approval, otherwise a property vegetation management plan must be supplied with details of any native vegetation clearing proposal. What has not been clear in this debate is what the bill entails in truth, not the emotive speeches of other participants here in the Senate.

Turning now to the substantive matters contained within the motion. It seems clear that the coalition government is playing politics in respect of the importance of environmental management in Queensland. It seems, on the one hand, the Prime Minister, John Howard, and Senator Robert Hill, the environment minister, are requiring Queensland farmers to reduce their land clearing efforts, but, on the other hand, are refusing to assist in defraying the costs that are involved. Or is the Prime Minister telling the farmers in Queensland that they do not deserve compensation? It seems odd that Senator Ron Boswell is demanding the Commonwealth keep out of state land clearing laws. In a press release dated 17 February 2000, the National Party Senate Leader, Senator Ron Boswell, welcomed the assurance by the environment minister, Senator Robert Hill, that the Commonwealth would not override the state legislation on land clearing.

When you look at the issue in more detail, it belies the true nature of the issue. In fact, clearly the responsibility for natural resource management lies with the states, but Senator Hill himself recognises that Australia has been overcleared and, at the moment, Queensland is being overcleared. Senator Hill goes on to say:
The rate of clearing in Queensland is too high and it is up to the Queensland government to do something about it.

Well, it is. Given the importance of the issue, it is of no surprise that the Premier of Queensland developed legislation, introduced it into parliament and sought federal government funding to ensure that farmers would be assisted in the required change from one field to a regime where the environment is given some importance. In fact, Senator Hill wrote to the state minister, Mr Rod Welford, on 11 August 1998 seeking assurances that Queensland would reduce regulations to reduce tree clearing on freehold land. A year later, on 9 August 1999, Senator Hill wrote again, in the same vein, reiterating the need to substantially reduce the net loss of native vegetation cover in Queensland. Again, Deputy Prime Minister John Anderson stated:

Queensland farmers are entitled to compensation for the loss of rights under the Queensland legislation.

It is a furphy to suggest that one of the main reasons for the National Party to oppose the legislation is the failure of the Queensland government to consult land-holders. The legislation itself, as I said earlier, provides clear consultative processes—processes that everyone can plainly see and follow within the legislation.

However, it is strange indeed when you look at the sums of money that Senator Hill has got at his disposal to turn around the environmental issues that matter the most, such as land clearing. Senator Hill has something in the order of $400 million in the greenhouse gas abatement budget that was committed as part of the federal government GST deal with the Democrats and another $1.5 billion in the Natural Heritage Trust scheme. So when you look at the $103 million sought by Queensland to save 4.7 million hectares of trees as compared with the war chest that Senator Hill is holding, it pales into insignificance. Perhaps there is an underlying motivation that Senator Hill is not making plain. It could be that the National Party have convinced Senator Hill that it would be politically wiser for rural Queensland farmers not to be subject to this piece of legislation because they are on the nose in the bush. They know that the holding up of the funds which would provide compensation to farmers would effectively stop the Queensland government from proceeding with the legislation.

I call on the National Party to support the Queensland Beattie government on this important piece of legislation and press with me against Senator Hill to fund the Queensland scheme. Senator Hill stated that the Natural Heritage Trust, the NHT, funding is conditional on states meeting vegetation goals and said the New South Wales and Queensland land clearing rates were too high to meet the NHT’s goal of having revegetation in Australia exceed clearing by 2001. Senator Hill said that, for Queensland to meet its NHT agreement, ‘controls and incentives need to be put in place across all regions and across all land tenures, both public and private, leasehold and freehold’. It could be argued then that the withdrawal of funding and the expenditure of funding are part of the same continuum and that one is a carrot and the other is a stick to assist in this process.

The NHT funding for the Bushcare program in Queensland allocated so far is $9 million, which is out of a total of $81-odd million available for Bushcare funded under the NHT. If land clearing controls in Queensland are not implemented because of the lack of funds for compensation, it could be argued that $9 million is wasted in the face of the land clearing rates of Queensland, and the NHT goal of reafforestation exceeding land clearing by 2001 would not be achieved. An economic rationalist may even argue that it would be more effective to use the NHT funds to halt land clearing. (Time expired)

Senator MASON (Queensland) (4.16 p.m.)—The coalition is concerned about land being overcleared in Queensland and the consequences of that overclearing, such as increased salinity and loss of native wildlife. This is precisely why the federal government has decided to do something about the issue. That is the difference between the coalition and Labor. Labor only care about the bush when it is useful for their scare tactics, otherwise they did not do much in their 13 years in government. The coalition, on the other hand, has recognised the problem and has decided to help those areas in need.
It is precisely for this reason that the Prime Minister established the largest environmental restoration plan, with the $1½ billion Natural Heritage Trust. It is precisely for that reason that we have signed the Natural Heritage Trust partnership agreements with all the states and the territories to commit them to protecting vegetation and to control land clearing. It is precisely for that reason that we have also established the $350 million Bushcare program to increase native vegetation right across Australia. I challenge Senator Bartlett and his fellow Democrats to support the full sale of Telstra so we can do even more for the environment in this country.

The federal government is willing to help the states, even though everyone knows that, constitutionally, land clearing is a state responsibility. All the state governments do recognise that it is their constitutional responsibility to introduce appropriate regulation with respect to land clearing. It is a state constitutional responsibility. All the state governments recognise that they have to spend their own money to assist land-holders once the controls on land clearing are introduced—except the Beattie Labor government in Queensland. It is the only state government to try to avoid its responsibilities and now demand $100 million from the Commonwealth for financial assistance to land-holders.

The final sentence of Senator Bartlett’s urgency motion should read: ‘The failure of the Queensland state government to take concrete action to ensure that this major environmental threat is addressed.’ That is how the urgency motion should read. Let us have a motion to condemn the Beattie Labor government and their sad attempt to escape their responsibility as a state government and provide funds to prevent land clearing. Let us have a motion to condemn the Beattie Labor government for trying to blackmail the federal government to supply all the funds that are necessary. If Senator Bartlett is willing to do that, I will happily second the motion. Or maybe the conclusion of the present motion should read: ‘The failure of the Democrats and the environmental movement to support the federal government in taking action to ensure that this major environmental threat is addressed.’

Let me get to the point. There is an inconsistency here. After all, the Democrats and their friends in the environmental movement have always opposed federal aid to the states to help them with funding environmental programs. Mr Downey, the Democrats’ environmental adviser, has come out in the papers saying that providing federal funds to the states is bad because then the states do not have to use their own money for environment purposes; they can run off and use the money for something else. The Democrats’ good friends at the Australian Conservation Foundation have also said the same thing. You have the same problem as the Labor Party, Senator Bartlett—that is, ‘We’re sort of in favour of the federal government providing money to the states but we’re sort of not. We’re not quite sure.’ It is a bit like the Labor Party policy on the GST—‘We’re sort of for it but we’re against it. We’re not quite sure.’

The bottom line is that the federal government has always been happy to assist Queensland deal with the problem of over-clearing. It has already given over $100 million under the Natural Heritage Trust, including $21 million through the Bushcare program specifically to ensure better vegetation outcomes. Until just seven days ago, Mr Beattie was not prepared to spend a cent on this program. Instead, he was spending all his time trying to blackmail the federal government to provide $100 million to bail out the state. Now, I understand, Premier Beattie is prepared to pay $30 million, but still of course demands that the federal government foot the rest of the bill, the other $70 million. Until such time as the Beattie Labor government undertakes its full constitutional responsibility, the Beattie Labor government should stand condemned for its appalling inaction, not this federal Liberal government.

Senator HOGG (Queensland) (4.21 p.m.)—I must say that if I had a hat on I would take it off to Senator Boswell, because Senator Boswell this afternoon has laid down the only real issue in this whole debate—that is, the meetings that took place out at Longreach and Roma. The Longreach and Roma
meetings were about one thing: not stopping clearing, but continuing the right to clear. That is what they were about. That is what they talk about out in that part of the world.

What we have now is a smokescreen being put up to defend the position of the National Party along with One Nation and the City Country Alliance out in the rural seats. That is what this debate is really about—nothing more and nothing less. I never thought I would see the National Party go into an alliance with the City Country Alliance and One Nation on this issue, but obviously they have. According to the paper, they all marched down the street together at Roma to protest to Mr Beattie—it was a big deal, big issue, et cetera. The truth of the matter is that they do not want to see the Beattie legislation proceed which will bring a halt to quite irresponsible land clearing that has been taking place in Queensland.

Senator McGauran—What about the compensation?

Senator HOGG—Senator McGauran, if you wanted to have a say, you should have got up earlier. Just keep out of this.

What has happened is that in the state of Queensland legislation has been passed, parts of which will enable proper use of the land and proper clearing of the land under proper circumstances. What we have here is a bloody-minded attitude by the federal government to stop proper funding to enable that legislation to come into force.

Participating in this debate was our good friend Senator Eggleston from Western Australia. I do not know if he knows where Queensland is, but at least he stood up and read the prepared script, as Senator Bolkus pointed out.

Let us look at the funding package that has been put forward. There were two parts to the Beattie funding package. The tree clearing funding package had a $111 million management budget which was Queensland's contribution. So you cannot say there was no contribution from Queensland. That contribution was $49.7 million in extension programs promoting good practice in managing the permit approval system; $38.6 million for landscape assessment and planning, mapping and monitoring; and $22.9 million to augment existing systems and to extend management to freehold tenures. What was being sought by the Beattie government was $103.2 million to cover these issues: $22.3 million in incentives for on-ground works, $44 million in adjustment assistance, $15 million for vegetation management assistance and $21.9 million as the acquisition budget.

So the Queensland government were not abrogating their responsibility, contrary to the belief that some people would have taken from this debate this afternoon. The Queensland government were very much concerned about the issue of land clearing that has an ongoing legacy for generations to come in this nation. We are already paying the price for the land clearing that has taken place in this nation over a long period of time, predominantly from European settlement until now. If one reads the statistics that come out of the Bureau of Rural Sciences, one sees that the forest area has almost been halved and the woodland area has been cut by one-third, and one will find that most of that has been handed over for other purposes. The other interesting thing that comes to light when looking at the Bureau of Rural Sciences website is this quote:

... many people believe that the last major clearing for agriculture occurred in the 1970s and that relatively little had taken place since. However, a recent review undertaken for the National Greenhouse Gas Inventory suggested that annual rates of clearing over the period 1983-1993 could be greater than 500,000 hectares.

As was confirmed in question time today by the minister in response to a question from Senator Bartlett, there was a clearance of 300,000 to 400,000 hectares per year, 80 to 90 per cent of which took place in the state of Queensland. Quite obviously, the problem in the state of Queensland is worse than anywhere else in Australia. The problem is getting worse day by day. The Queensland government have put in place a piece of legislation which will address the problem and go to the problem, but we have rallies that are being supported to take on the Queensland government to say, 'We don’t want land clearing stopped. We want the inalienable right to
clear land how we like, when we like and wherever we like.’

Senator Boswell—You know that is not right.

Senator HOGG—That is the issue, Senator Boswell. You know that as well as I do. While you can play the federal government off against the Queensland government, you will continue to try to rally those supporters out there whom you have lost to One Nation and to the fragmentation of One Nation, the City Country Alliance.

Clearly, the issue that we have before us here today is a very important national issue and a very important issue for the state of Queensland. There is the opportunity for the federal government to come to the party to provide a mere $103 million which could be diverted from other aspects of the Natural Heritage Trust and which would have gone to Queensland anyway at some time.

Let us stop kidding each other. Let us get down to the real argument, and the real argument is that there are tree clearers in Queensland who want to keep their practices going. Let us stop them. Let the federal government start today by putting the money into the Queensland legislation and seeing a halt to irresponsible tree clearing in Queensland.

Senator BARTLETT (Queensland) (4.28 p.m.)—I will briefly conclude and remind the Senate that this is about a major national problem. Nobody disputes that, except possibly Senator Boswell. Yet, despite Senator Mason’s best efforts to suggest that the federal government have done a lot, clearly what they have done has not worked, because it is a huge problem. The state of the environment report identified it as the major issue a number of years back. It is still a major issue. So whatever the federal government may have done has not worked.

Senator Mason wants us to sell more of Telstra to fund the Natural Heritage Trust, yet the government’s own mid-term review of the Natural Heritage Trust and the Bushcare program specifically rated it as ‘a failure on the environment’; ‘too small a scale to have much impact on sustainable production’—the issue we are talking about—‘few projects specifically addressing this’; and ‘Bushcare is not effectively addressing sustainable production issues’. Yet you want us to sell more of Telstra to fund something that your own report says is a failure. I think we need to try another approach. Clearly, the lesson has not been learnt. It might be nice to suggest that all farmers are environmentalists and that they know best about when to clear, but clearly some of them do not. Some of them are acting irresponsibly; some of them are acting unsustainably.

The ACTING DEPUTY PRESIDENT—Order! The time being 4.30 p.m., I put the question that the urgency motion be agreed to.

Question resolved in the affirmative.

SERVICES IN RURAL AND REGIONAL AUSTRALIA

Senator CONROY (Victoria) (4.30 p.m.)—On behalf of Senator Mackay and myself, I move:

That the Senate—

(a) notes:

(i) the ongoing failure of the Howard Government to ensure that regional Australia has adequate and acceptable access to basic services, including financial and telecommunications services,

(ii) that a total of 1 149 banking branches have closed since June 1996, 318 of these in rural and remote areas, and that in the past year 257 branches have closed, 114 of these in rural and remote areas,

(iii) the Howard Government, despite committing to establish 70 Rural Transaction Centres by 30 June 2000, has to this date opened only six centres,

(iv) that the Rural Transaction Centre program is a woefully inadequate response to branch closures in rural and regional areas,

(v) that on 8 March 2000 Telstra announced plans to shed 10 000 jobs, which will have an adverse effect on service provision in regional Australia,

(vi) comments by the Prime Minister (Mr Howard) that the banks do have social obligations and the Government’s failure to take action to ensure that banks fulfil their social obligations, and

(vii) the apparent contempt that the Chief Executive Officer of the Commonwealth Bank of Australia, Mr David Murray, has for these com-
ments, stating that, ‘regulating the banks will turn the lights out in the Commonwealth Bank’; and

(b) calls on the Government to immediately begin discussions to establish a social charter of community obligations for Australia’s banks.

There continues to be a lot of talk about the social obligations of banks. Whilst it is good to have a constructive debate on the issue, and we welcome the recent comments by the Democrats who have now belatedly joined the debate, it is disappointing that, despite the acknowledgment by the Prime Minister and the Minister for Financial Services and Regulation that banks do have social obligations, we have yet to see any action from the federal government on this issue. I am happy and pleased to see a number of senators from the National Party in the chamber at the moment. If ever there was a constituency that was crying out for action on this issue of banks and social obligations, it would be National Party areas—areas that have been neglected by the banks and that banks have turned their backs on. Where have the National Party been? They are off watching a few videos. We have genuine problems in the bush concerning banking services and the National Party have been off watching a few X-rated or NVE videos for their entertainment—talk about being relevant to their constituency!

Today I want to talk about why it is important that we address the issue of the social responsibilities of Australia’s banks, instead of just talking about the issue or, in the case of some senators in this chamber, completely ignoring the issue. I have just returned this week from an overseas delegation to the United States promoting Australia as a centre for global finance. What I learned in the United States disturbed me. Twelve million American families do not have bank accounts because they cannot afford them. In many low income areas of America banks have deserted, leaving loan sharks and pawnbrokers as the only way many people in disadvantaged areas can gain access to financial services and credit. We must ask ourselves the question: is this the kind of banking system that we want in this country? The answer is, of course, no. There is no doubt that we have been lucky in Australia. We have had a banking system that has been open to all. Indeed, we have taken open access to banking for granted. This is probably because we were taught from an early age that having access to banking was a normal thing. It was part of growing up. We were encouraged by state savings banks to save at an early age.

Senator McGauran interjecting—

Senator CONROY—Indeed, bank staff came around to local primary schools to let kids put their pocket money into the bank. I am happy to have a talk about which spivs robbed Victorian taxpayers, Senator McGauran, because we all know who was getting money out of Trico. We all know who borrowed funds from Trico and lost it—a bunch of spivs who bankrolled the Victorian Liberal and National parties. Andrew Kroger was one of the main borrowers from Trico, Senator McGauran. That’s right; Mr Kroger’s brother. You want to talk about Trico and who lost the money of Victorian punters in the State Bank debacle. Well, there was a full parliamentary report into it and a lot of people got named for losing money there. But it was not the Victorian state government that lost money on Trico, it was the spivs and mates of the Liberal Party who got involved in Trico and robbed the Victorian punters blind. If Senator McGauran wants to debate Trico, on any day of the week he wants I will get the report out and he can read the list of shame for Liberal Party and National Party spivs.

I will get back to the topic, because we are here to talk about banking services in the bush, something that I know Senator McGauran does not want to talk about. We are encouraged by state savings banks to save at an early age. Indeed, bank staff came around to local primary schools to let kids put their pocket money into the banks. We are no longer taking for granted that we will have this access to financial services in the future. There are two key issues that are limiting our access to financial services. They are bank branch closures and bank fees. We have discussed this in this chamber before. For the record, 1,706 bank branches have closed since 1993, and 615 of these have been in rural and remote areas. That is where the shame of this government, and particularly Senators McGauran and Boswell, is really
highlighted. Six hundred and fifteen of those closures have been in rural and remote areas—your constituency, your supporters—and you have stood back and done nothing.

The government response as a whole on this issue of rural bank closures has been inadequate to say the least. It is time that we recognised that the federal government’s one attempt to address the problems of rural bank closures through the establishment of rural transaction centres is failing and the minister responsible for it is finally going to be held to account today in this chamber. He has finally turned up to debate this issue. Here is Senator Macdonald, the man in charge of getting, as he said, 70 centres opened by 30 June. But the real concern is not just that the government are slow off the mark but that they do not know where they are going. Where are the 70 centres? I am looking forward to hearing the list. I am looking forward to Senator Macdonald standing up and winning this debate by listing the 70 centres that will be opened by 30 June this year. That is just three months away. The truth is that there are six open at the moment, and even Senator Macdonald has had to admit that they are not going to go close to the 70 that they promised, never mind the rest of the centres that Senator Alston boasted about so casually yesterday. He was boasting they were going to have 500 of them open. Well, that is a joke, Senator Mackay—you are absolutely right to laugh.

Our understanding is that APRA, who have responsibility for collection of data on branch numbers, do not yet collect this information on a postcode basis. This means that we have no way of knowing which communities are suffering from reduced access to financial services and which ones are not. It also means that the government has no way of focusing the rural transaction centre program to ensure that communities who need access to financial services are targeted and prioritised for attention.

There is also no guarantee that the RTCs will be developed in areas that need them most. Because an RTC is generally established in partnership with a credit union or other body, such as Australia Post, new RTCs are only likely to be opened where the groups that provide the practical support identify that they can make a commercial return. If a rural area cannot support a sufficient number of transactions, then there is a concern about whether a rural transaction centre will be opened.

Whilst the major banks are desperately trying to desert the bush, arguing that they cannot make enough profits from their branch networks, there are commercial examples that demonstrate that rural banking is sustainable—in particular, the example of Bendigo Bank, who have 17 community banks, with another three planned for the next month. A further 53 community banks are currently in negotiations. Bendigo Bank have demonstrated that it is possible to make a profit out of a rural branch network. Indeed, one of their community banks in Upwey is making a profit of $10,000 a month. Yet one of the major banks actually closed its branch out in that region, saying it could not make a profit. Bendigo Bank’s branch: $10,000 a month. How much profit is enough for some of these banks? How much return do some of these banks actually demand from each of their customers?

Colonial have also demonstrated that it is possible to extend a rural branch network. Whilst their rumoured merger partner, Commonwealth Bank, has been slashing branches and has announced the closure of 26 more branches this year, Colonial has actually increased their branch numbers in the last years. They have done this by using an innovative franchise model. It is important that this kind of innovation should not be swamped in the corporate greed to make money from mergers.

What is clear is that it is possible to make rural banking profitable. But a long-term perspective must be taken. The problem that the major banks have is that their primary goal is short-term profit. They are concerned with driving up their short-term profits, rather than concentrating on what is good for the business in the long term.

One of the major issues of concern is the extravagant executive remuneration schemes that the major banks have. As an example, this week Westpac announced that its senior management team had been granted a further
swag of 245,000 share options. This is at the same time as a massive branch closure across rural Victoria. Some services are still provided by Westpac. But, on the one hand, in one day you see executives being given huge bonuses to their salary through share options and closures of branches in rural areas. Let me quote from Ross Gittins, economics editor for the Sydney Morning Herald, who stated on 6 March:

...the under-recognised story is the emergence during the 90s of the practice of trying to incentivate CEOs by issuing them copious quantities of share options. I doubt if its lost on the employees and shareholders of most big companies that, when their CEO mouths off again about the supreme goal of shareholder value, the shareholder whose interests are foremost in his mind is none other than his good self.

Ross Gittins goes on to say that the problem of share options schemes is that the designers of the schemes are not at arms-length from the participants in them. He states:

Its not easy to perfectly align the interests of CEOs with the interests of shareholders. A CEO may be far more influenced by the expiry dates of his contract and his options than his shareholders are. If so, he’ll be tempted to find ways to ramp the share price at the expense of the company’s long term future.

So how do we guarantee that the banks when they are making decisions about branch closures and about increasing fees and charges have the long-term interest of their shareholders at heart and not the short-term share price? The problem is that it is always possible to drive up profit in the short term—branches can be closed, fees can be increased—but what are the long-term implications on the business? For instance, when Westpac close a branch and replace it with an in-store agency I am advised they reduce their costs fourfold. On this analysis, for senior management it is therefore rational that they should close all of their branches and replace them with in-store operations, and this is exactly what they are doing.

As I said, in the last two months Westpac have announced the closure of 40 branches in Victoria, replacing 38 with in-store agencies. Of these closures 34 have been in rural and regional Victoria and only 6 have been in metropolitan areas. Westpac has effectively said to rural customers they are not as important as their metropolitan customers. Whilst bank branches are continuing to close, bank customers are also being driven out of the remaining branches by the imposition of fees and charges on staff assisted transactions. The bank’s argument is that it costs more to offer branch services and, therefore, customers should be charged more for these services. According to figures from market analysts Marketfacts, Westpac charges $2 for an over the counter transaction and 65c for electronic transactions, including those on the Internet. The Chief Executive Officer of Westpac, Dr David Morgan, was recently quoted as saying that a transaction on the Internet costs just 1c while a transaction in a branch costs $1.

The argument of Westpac that they should charge more for over the counter transactions because they cost more breaks down because they are not charging their Internet customers less because it costs less to make a transaction on the Internet. Let me just repeat that, just so we are absolutely clear, Senator McGauran and Senator Macdonald: Westpac charge 65c for electronic transactions, including the Internet; David Morgan says it costs 1c for an Internet transaction. No wonder they want everybody to take up Internet banking, because they are going to make a killing.

But why should a bank customer want to move onto the Internet? One answer, of course, is that it is convenient. For some people, it is convenient, and we accept that. Many people will find it more convenient to conduct their banking over the Internet. But the other half of the reason why customers would want to transfer to Internet banking is the reduced services in their local banking branch—that is if it is still open. It is common to hear complaints from banking customers about the level of service in their banking branch. I guess, if it is a choice between having to wait 25 minutes to be served by a teller or going onto the Internet, there is no doubt that many people would choose the Internet in those circumstances. But there are also many consumers who do not have access to the Internet, and even if they did they
would still prefer to conduct their banking with a person and not a machine.

There are also many consumers who do not yet trust the security of the Internet, and I am one of them. I am not prepared to do my banking on the Internet. I do not know about you, Senator McGauran. You may be comfortable about putting your personal PIN numbers and all of those things on the Internet, Senator Macdonald. Senator McGauran is actually shaking his head behind you there, Senator Macdonald, so even among the coalition partners there is disagreement on this. But I am with you, Senator McGauran. I would not actually bank on the Internet. As I said, I was recently in America and I met with an American defence contractor. We were jokingly talking about the sorts of services provided by the banks. He basically said to me, 'What would you like to know? Would you like to know how much is in your account? Would you like to know how much you borrowed last year? Would you like to know what your last three Bankcard transactions were?' He believes—and this is a large, multinational American defence contractor—that the security on the Net is not sufficient yet. The encryption technologies are not sufficient yet for there to be genuine security of transaction.

So, like you, Senator McGauran, I am a bit of a sceptic at this stage. I am not prepared to risk my banking details on the Net, but clearly Senator Macdonald is prepared to put his bank account up for the world to have a look at. That is his choice, and he should be allowed to have that choice. But choice means that you are allowed to have the opposite: you are allowed to have the other choice. That is the bone of contention here—that you be allowed to have the other choice. Consumers should be allowed to choose how they wish to conduct their banking. If banks want to change customer behaviour they should do so through incentives and not through discouraging current behaviour through penalties. The goal of Australia's banks is simple: to maximise their profits. The equation for the banks is simple: they make more money from wealthy customers than the rest of us. To do this, they would like to reduce the number of branches to a minimum. The banks do not want the business of pensioners, the unemployed and low income earners. They are happy for these customers to wait in queues.

Indeed, last week the Commonwealth Bank was forced to employ security guards at its Fairfield branch in Western Sydney to defend tellers from a rowdy rabble of local pensioners on pensioner day. They were fighting to get in there because they were sick of waiting in long queues. Wouldn't it have been better to improve the customer service by employing more tellers? Because the banks cannot turn pensioners and social security recipients away from their doors, their answer is to try to make a profit from them. The banks want every customer to make them money. The banks are currently producing returns on equity in the order of 20 per cent. Does this mean that they expect every customer to make them a 20 per cent return? Are they expecting a pensioner's bank account to deliver a 20 per cent return? The banks are making more money from us and, in return, we are making less money from them. To illustrate how much less we are receiving from the banks, *A Current Affair* recently researched the returns on deposit accounts over a period of two years. ACA researcher Hugh Nailon took $50 in January 1998 and opened bank accounts at 10 different banking institutions. What remained of his savings after a period of two years? At the ANZ, Mr Nailon had $49.97 left in a progress savings account, while at the Commonwealth Bank he held a balance of $50.05.

**Senator McGauran**—So what are you going to do?

**Senator CONROY**—The situation was not so good at the National Australia Bank, where Mr Nailon had only $26.02 left after two years. But he could not believe how much he held at Westpac. In his Westpac passbook account Mr Nailon had a total of $8.11, while at the Bank of Melbourne—remember, this is the bank that cuts the cost of banking—Mr Nailon had a debit balance of $1.04. So what is the government doing about this? Senator McGauran, you may shout across the chamber, 'What are you do-
ing?’, but you are the government—what are you going to do about it? The issue of access to financial services was examined in detail in a report handed down by the chairman of the House of Representatives Standing Committee on Economic, Finance and Public Administration, Mr David Hawker, on 22 March. The report, commonly referred to by its title, *Money too far away*, listed 21 recommendations that the government has yet to respond to.

The report included recommendations that the Minister for Financial Services and Regulation, in conjunction with his state colleagues, undertake a collection of comprehensive data on the access communities have to financial services; that the Minister for Regional Services, Territories and Local Government negotiate an agreement whereby funding from the rural transaction centre program be used to install giroPost where communities are able to demonstrate that there is a demand; that the Australian Bankers Association open discussions with the Australian Local Government Association to place ATMs in council offices and other locations; that when a bank branch is closed a bank waive all rights to fees and penalties on early repayment of loans and closure of accounts; and that the Australian Bankers Association develops a minimum standard of service delivery as a guideline in the event of closing regional and remote branches. We are still eagerly awaiting the government’s response to these recommendations, as we continue to wait for the government to take any action to ensure that banks meet their social obligations. *(Time expired)*

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.49 p.m.)—First of all, I congratulate my colleague Senator Conroy on his speech. It was very eloquent, it had some pathos, humour and a bit of entertainment, and it was very well delivered. In fact, as with many of the things that you do, Senator Conroy, it would justify you a spot on *Good News Week, The Panel* or perhaps even the *Humphrey B. Bear Show*. It was a pretty good speech—congratulations. But when it comes to substance, any new ideas and any policy, there was absolutely zilch—not a thing. There was not a bit of substance in it whatsoever. It was great on delivery, entertainment and humour and it was eloquent and brilliant but, on substance, nil; new policy, nil; new ideas; nil. Hypocrisy: well, you would score pretty well on that. It was full of hypocrisy, coming from someone in the Labor Party. You cannot be visited with all of the ills of your predecessors, but you are a member of a party which has shown the greatest hypocrisy possible in relation to rural and regional Australia.

Let us reflect on what has happened today and on some of the things that have been said in question time. Let us have a look at the question of jobs for Telstra. Senator Conroy, you would be aware that under Mr Beazley’s stewardship between 1991 and 1994 the Labor government of the time owned all of Telstra. What happened? There were 17,000 job losses in Telstra under Mr Beazley’s stewardship. For you and your colleagues to come in today and talk about Telstra and job losses is the height of hypocrisy. Mr Beazley, by allowing it, shows yet again that he is a weak and puerile leader. He is unable to overcome his past. In fact, from 1991 to 1994, he not only predicted that 17,000 jobs in Telstra would go in the following few years under his stewardship but also said that it would be an ongoing thing. Of course, it is Mr Beazley, the greater privatiser. His biographer, Peter FitzSimons, said:

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 (Finance) was devoted to selling such entities as Qantas, the Commonwealth Serum Laboratories, the Sydney Gas Pipeline, and the last half of the Commonwealth Bank ... He was not troubled by this, however, as clearly the times had changed ...

The times had changed and the Labor Party was full of selling all these enterprises. I want to come to the Commonwealth Bank later because it is mentioned in your motion, Senator Conroy, but first can I digress again.

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The times had changed and the Labor Party was full of selling all these enterprises. I want to come to the Commonwealth Bank later because it is mentioned in your motion, Senator Conroy, but first can I digress again.

I say not to you personally, Senator, but to your party that it is full of hypocrisy. You talk about the loss of banking services in rural and regional Australia, but in 1995 in the time of your Labor government CUSCAL, the Commonwealth Credit Union Services
Corporation, found that there were 600 rural towns in Australia with populations of between 200 and 5,000 inhabitants which did not have a financial institution within 40 kilometres of the town. What did your government do in 13 years about that? Absolutely nothing. Mr Beazley rabbited on about post offices down in Burnie the other day, but during the term of the last Labor government 277 post office outlets were closed by the Labor Party and not one skerrick of action was taken. Two hundred and seventy-seven postal outlets disappeared from the face of the earth. That has not happened under our government, and our government has guaranteed to maintain the existing number of post offices.

A lot of good things have been done for rural and regional Australia. We have the rural transaction centre program, which I will go on to in some detail shortly. It provided $70 million for services to regional Australia. What was the Labor Party’s attitude towards that? Oppose it. Oppose it tooth and nail. Fight against it so that that program cannot provide services to rural and regional Australia. We have provided for expanded mobile phone coverage in rural and regional Australia. What was the Labor Party’s attitude? Oppose it—and you did it in the chamber. This government is providing untimed local calls within the outer extended zones in remote Australia, but what were the Labor Party’s actions? Oppose it. We are providing access to the Internet at local calls rates for all Australians. What is the Labor Party’s proposal? Oppose it. We are providing $45 million to get local government online, much of it in rural and regional Australia. The Labor Party’s approach? Oppose it.

The Labor Party have opposed all of the good ideas and good initiatives that we have provided for rural and regional Australia, and Mr Beazley is a weak leader because he cannot stop his party voting against those particular initiatives. The Labor Party and their leader demonstrate their hypocrisy by their actions in government. It is all very well to come along here and criticise, but in government when they had 13 years of opportunity jobs left the bush, services left the bush, banks left the bush, post offices left the bush, and the Labor Party did absolutely nothing about it at all.

Senator, you have included some criticism of the Commonwealth Bank. Of course, the Commonwealth Bank was the great institution which Mr Beazley was never going to sell. Do you remember Mr Beazley’s approach to those things? He guaranteed that the Labor Party would not sell the Commonwealth Bank. Of course, once the election was over, Mr Beazley was instrumental in selling the Commonwealth Bank, and in selling the Commonwealth Bank he allowed the Commonwealth Bank to cut services in rural and regional Australia and to stop jobs there. Mr Beazley said on the Lateline program on 9 May 1995:

The real reason why we sold the Commonwealth Bank is there is no need for us to hold on to it any longer. They have a view about themselves, that they need to be commercially unfettered, the capacity to raise capital and being out from under the Commonwealth which can’t provide it for them ourselves, this is a sensible thing to do.

There is Mr Beazley promoting the sale of the Commonwealth Bank, but the senator comes in here today and has the hide to criticise the Commonwealth Bank and to call upon the government to immediately begin discussions to establish a social charter of community obligations for Australia’s bank. Why didn’t the Labor Party do that when they sold the Commonwealth Bank? They had every opportunity to do it then. They could have made it a condition of the sale of the Commonwealth Bank as we have made community service obligations an obligation of Telstra. Labor had that ability when they sold the Commonwealth Bank and yet took no action whatsoever to do that.

The motion talks about rural transaction centres, and that is what I want to concentrate on. We have provided $70 million for that program over four years, as we promised before the election and as we provided in our first budget. It was dependent upon the sale of the second tranche of Telstra which—because the Labor Party opposed it, because they fought it tooth and nail at every stage—took longer to get through than we had hoped. The government provided funds in the last budget to go towards the rural transaction
budget to go towards the rural transaction centre program even though, at that time, parliament had not agreed to sell the second tranche of Telstra. So we provided the money as we said we would, even though the Labor Party and the Democrats made it as difficult as possible for us to do it.

Since then, we have got the guidelines together. We have announced the project. Currently, we have 13 projects either in operation or about to be opened—that is 13 in a very short time, which is a great record. This program has attracted a great deal of interest right across rural and regional Australia. The number of inquiries we have had reaches into the thousands. As well as those 13 actual projects—buildings and centres either opened or under way—we have already funded 56 business plans for local communities.

We are providing the wherewithal for communities to get a business plan together and to get in a broker. We give them a list of brokers. They do not have to choose one of ours; they can use their own broker, and many of them have used their own. But we provide the money for them to get a broker to come in, to talk to the community, to do the hard work, to do the legwork, to find out which services each community wants, to find out which service provider each community wants in their town and then to put the application together. It then comes to the government, it is dealt with by an independent panel that I have set up to help me assess these applications and then—once the guidelines are met, and they are pretty simple guidelines—the Commonwealth provides the wherewithal to set up rural transaction centres.

Already, we have assisted 13 communities. We have benefited another 66 towns with 56 business plans. That is a total of 79 communities in regional Australia that have never had these services in recent times looking towards getting those services into their communities. Some 45 applications have been received for the next round of the RTC program, and the advisory panel will be meeting on 16 March to consider those applications. They work very well and very speedily. They will get recommendations to me within a couple of weeks after that. I hope that, by the end of March or early April, we will have announced quite a number more rural transaction centres to be opened or business plans to be provided. Senator Conroy asked me to list all of the communities that have been assisted, and well he would like me to, because that would take up the rest of my speaking time. But the list is there, and it is always available to anyone who wishes to see it. The details are all there.

What is Labor’s alternative to the rural transaction centres? I do not know that they have an alternative. Mr Beazley, in his major statement on regional services—down in your area, Acting Deputy President Watson—the other day said, ‘They’re a pretty good idea.’ He said, ‘The government’s doing a lot of good work on those.’ It might be a bit like the GST. They criticise it initially, and then they say, ‘Oh, it’s not a bad idea.’ The Labor Party now support the GST—in a rolled back form, which we are uncertain about. All we know about their rolling back is that they will be rolling back the income tax cuts that this government is giving. The Labor Party now support the GST and it appears that, after criticising the rural transaction centre program, they are now going to support that. But Mr Beazley says that he has a better way. He says that he is going to do something with post offices. I repeat that 277 post offices closed in Labor times. But now Mr Beazley is going to do something about it. His new policy announcement was just breathtaking in its shallowness.

Senator Mackay interjecting—

Senator IAN MACDONALD—Senator Mackay, you were not there to help him along when he made this announcement.

Senator Abetz—She did all the work!

Senator IAN MACDONALD—She did all the work, but she was not there.

Senator Mackay—I was there!

Senator IAN MACDONALD—I thought you were up in Canberra that day.

Senator Mackay—I was in Launceston, and I was standing right next to Mr Beazley.

Senator IAN MACDONALD—I thought you were doing something in Canberra that day. But that is even worse: if you were there,
you should have told him about it. Mr Beazley came out and said that post offices are excluded from the rural transaction centre program. Senator, I have told you time and time again to please go to St Marys. It is in your own home state. It is not all that far away. You would not have to take too much time out of dealing with the unions or whatever you do in your daily life. Go to St Marys in Tasmania, and you will see the post office there with the RTC. If you ever get up to western Queensland, have a look at Aramac, and you will see the RTC in the post office building. So, please, in the future, do not mislead Mr Beazley. I know he is weak. I know he is pretty useless. He could use your help. Please tell him the facts: post offices are not excluded.

Senator Mackay, this is what the Labor Party cannot get through their heads: you have this prescriptive approach to government. You think you can sit here in Canberra and tell rural communities what is best for them because you know best—you are university educated; you have made a success of your life; you can tell these regional communities what is best for them—but we do not work like that. We say to the regional community and to the rural town, 'You tell us what you want. You tell us who you want to provide that, and we will provide you with the funds to do what your community wants to do.' If the community wants to put in a post office, as two have done, then we will fund it. But if the community wants to put in something else, then that is the community’s choice—not Big Brother sitting here in Canberra telling the community what it should do.

I will return to Mr Beazley’s proposal for post offices. He had no idea what he was going to do, so he said, ‘Look, we will put in some health and employment information government services there. That will be our new policy.’ He said that after a bit of prompting from the media. Of course, that already applies in the rural transaction centres. Mr Beazley was then prompted by the media again, and the media said to him, ‘What about social security?’ He replied, ‘Oh, yes, social security, we’ll do that again,’ little knowing—you should have told him, Senator—that that is already part of the rural transaction centre program. When he was asked by the media whether his program for post offices was fully costed, he said, ‘Fully costed, look, it will be. We’ll tell you all about this some time later.’ To cap it off, when he was asked about his new policy for post offices, he said this:

We are going to want to talk through with a few people expert in Australia Post exactly what that means.

So that is his policy: he does not really know but he will talk to some people who are expert in Australia Post to tell us what that means. He said, ‘We’re going to put some cyber café sort of things in the post office.’ Again, Senator Mackay, if you go to some of these rural transaction centres, you will see that is what it is all about—it is all there. That is the Labor Party policy.

I had a lot more that I wanted to say but I will be leaving that to Senator Troeth and Senator McGauran when they speak later on. Before I close, I want to say you could not fault Senator Conroy’s eloquence, but what are Labor’s policies? What proposals do they have for Australia? We know what their past record is, because regional and rural Australia was decimated under the Labor government. We know what their eloquence now talks about in those areas, but what are their policies; what are their proposals? I see Senator Mackay is on the speakers list, so I am sure she will be able to elaborate for us what the Labor Party policy is about: ‘Beginning discussions to establish a social charter of community obligations for Australia’s banks.’ She will be able to explain that in detail, explain what the Labor Party are going to do, how it is going to work, who they are going to speak with, what consultation they have embarked on, what the banks think about it, what the communities think about it—we will expect all that because we want to know and the Australian public want to know.

We know what you are going to do to post offices. I hope the first thing that Mr Beazley does is to stop shutting them down, because he shut them down when he was there. We know what that is about, but tell us what your regional services policy is, because we are
desperate to learn. The Australian public is desperate to learn. You can see what we are doing; we are actually doing it. We are providing services. I wish I had time to read the letters I have received from the communities that have rural transaction centres and what great things they have done for those towns. Tell us what you are going to do, Senator; that is what we need. (Time expired)

Senator MACKAY (Tasmania) (5.11 p.m.)—I am inclined to move an extension of time for Senator Macdonald to read out his letters on rural transactions centres because there are only six, so I do not think it would take an awfully long time.

Senator Quirke—Would two minutes be long enough?

Senator MACKAY—It would probably only take about two minutes to read out the letters, Senator Quirke, because there are only six rural transaction centres. In fact, I would have been quite happy for him to read out a list of functioning rural transaction centres because there are only six, and that would not take very long either.

Senator Quirke—We could even get the names and addresses of all the employees.

Senator MACKAY—Indeed, you could probably get the names of their pets and their star signs within two minutes in relation to the rural transactions centres.

To get back to the motion, Senator Macdonald talks about jobs for Telstra. Since 1996, as we have already stated here today ad nauseam, 27,000 jobs have gone from Telstra and Dr Switkowski—ever ready to help out the coalition, particularly the National Party—yesterday announced another 16,000. That represents one-third of the remaining work force of Telstra. Senator Macdonald talks about the $70 million for rural transaction centres and that Labor opposed it, and we did. We opposed it because we opposed the further 16 per cent sell-down of Telstra. That is correct; we opposed that.

But what we would like to know is: where is this $70 million? One thing that Senator Macdonald did not go to in his contribution was the issue of the government’s target for rural transaction centres for this financial year. So far we have six. The government has indicated that by the end of this year there will be 70. But we learn in estimates that there will only be 30, so the government can get stuck into the Labor Party’s alternative proposals as much as it likes. I noted with some amusement Senator Alston’s comment after the Australia Post announcement by Mr Beazley in Launceston that it was merely a duplication of the rural transaction centres scheme. It is pretty hard to duplicate a scheme that currently has six outlets in comparison with the presence of Australia Post, which has 2,500 outlets in regional Australia. We are not talking about duplicating; we are saying, ‘There are only six of these things. Sorry, that’s not enough. Regional Australians deserve a lot better than that.’ The amount of $70 million—that is great, but where is it?

In fact, where is the remainder of the money from the T2 sale, from the 16 per cent sell-down of Telstra? You do not need to go further than to no less a personage than the Deputy Prime Minister, Mr John Anderson, who has said, ‘The coalition has failed in relation to delivering the commitments that it made on Telstra 2. It has been slow.’ So it is a bit of a mea culpa from the coalition, and I give 10 out of 10 to Minister Anderson for telling the truth. Minister Macdonald goes on about thousands of inquiries that they have had on rural transaction centres and his 56 business plans. I have to say to Senator Macdonald that people in regional Australia are sick to death of money for planning. Anybody in the National Party who was here in the chamber would be able to tell you that. They do not want any more money for planning; they actually want money to do something. They want money for implementation. This is what this government calls ‘capacity building’. This government is into providing money for ‘capacity building’. The problem on the other side of the ledger is that you need some money to actually do things, and that is what is missing. They are absolutely sick of it, and I am sure that people on the other side of the chamber—whilst they cannot say so—know it full well.

The government’s attitude towards regional Australia is great cause for alarm for regional Australians. They are certainly poll
driven; there is no doubt about that. Obviously what the government do is just put out little bits of money and bad public policy in relation to ad hoc funding and so on. But you cannot accuse them of being wrong on everything. When the government got into power in 1996, Mr Sharp, the then Minister for Transport and Regional Development, said that there was no clear rationale or constitutional basis for Commonwealth involvement in regional development. You can say one thing: at least they started off the way that they meant to go on. Given the government’s failure in regional Australia, it looks like they are meeting their own expectations—that is, no involvement—quite nicely. It is also worth noting that Minister Anderson, four years on, recently flagged an intention to return to regional development.

I have to say that, if the recent Telstra announcement is anything to go by in terms of this government turning back towards regional development, people in regional Australia are no doubt wishing the government would go back to sleep on regional development and do nothing, because every time this government turns its mind to regional development, we get major cutbacks. So I suspect people in regional Australia are looking forward to the government turning back to them with some trepidation.

The Prime Minister started this year off with his super tour of regional Australia which was designed to provide regional Australians with a chance to tell him what was going on. That is good; he is out there and that is good. I again congratulate the coalition members who have urged Mr Costello to go out and have a listen to and a look at regional Australia, because I think he definitely needs to do so. Didn’t this tour generate media interest? It created lead stories for over a week and beyond. In fact, we had the Prime Minister giving regional Australia a number of promises on future government activities. Clearly those promises have been seen to be hollow, but let us have a look at them.

The Prime Minister made mention of a directive to ministers in terms of preparing for this year’s budget. He said, ‘In effect, a red light flashes if that government decision involves a reduction in the delivery of an existing Commonwealth service.’ He then went on to say, ‘I don’t want to see any further services, government service levels withdrawn from or taken away from the bush.’ As a Tasmanian, we do not call it the bush; we call it regional Australia. But anyway, he said he would put a floor under cuts to regional services and he would put a floor under cuts to jobs and further job losses. They are two very important and long overdue commitments from the Prime Minister—and it is a shame that his government has done so much to damage regional Australia. He also said that he would write to all his ministers asking them to watch out for cuts to regional services—watch out for them as they occur. I would say that Senator Alston’s letter must have got lost in the mail, because what do we have less than a month and a half after the regional tour? We have announcements of 16,000 job losses in Telstra, many of which, if not most, will come from regional Australia.

While we are talking about lost in the mail, this government, unbelievably, is not resiling from its stated policy of deregulating Australia Post—extraordinary. I must admit I thought that, because it was quiet in relation to the dereg option of Australia Post, the government had backed away from it because of pressure from the National Party—and it should have. But oh no, we have Senator Alston up here saying, ‘No, we are proceeding with the deregulation of Australia Post.’ Everybody around here knows what that means. The NFF have taken up a position against the deregulation of Australia Post; even the NFF, the National Party’s own union, have taken a stand against the deregulation of Australia Post.

Senator Troeth—You’ve got it wrong there.

Senator Mackay—I do not know what the Liberal Party union is. Perhaps it is not the NFF; I am not sure. But the National Party does seem to listen to the National Farmers Federation, I have to say. Since the famous ‘red light flashing’ statement of the Prime Minister, we have seen the major withdrawal of services to regional Australia from Employment National. In fact, Em-
ployment National—and I am glad Senator Abetz is here—withdrawed entirely from the state of Tasmania, which we both come from.

Senator Abetz—And Jobsnet provided extra services.

Senator MACKAY—So now there is no safety net in terms of employment services at all in relation to Tasmania.

Senator Abetz—You are wrong.

Senator MACKAY—We know, Senator Abetz, that there are five Labor seats in Tasmania, but it really is no excuse to take your eye off the ball in relation to your own state—really no excuse. So, if this government can abandon an entire state in relation to provision of services in terms of Employment National, nobody in regional Australia can feel safe. What did we have about four or five days after the Prime Minister had—probably in quite a relieved state—returned from his regional tour? We had Telstra announcing plans for the slashing of 16,000 jobs—and we have already dealt with that. We had the Prime Minister reiterating this government’s commitment to the full sale of Telstra—the further 49 per cent. We had Mr Sharp in 1996 was the minister for regional development. His first statement was, ‘The Commonwealth has no role in regional development.’ Are we right? We will move on. What else did this government do? There was $62 million slashed from financial assistance grants to councils, reducing the financial capacity of local government to deliver basic services; the slashing of the local government development program, a $34 million program under Labor; the erasing of $62 million in road funding from the national highways system; major cuts to the education sector which impacted on regional universities; and the dramatic reducing of the size and scope of Labor’s infrastructure bonds program which provided $200 million for regional infrastructure programs every year. In its place the coalition has the infrastructure rebate capped at $70 million and limited to transport infrastructure. This government has ensured the decline in the spending on labour market programs from $2.1 billion in 1995-96 to $1 billion less on labour market programs.

What else have they done? The list goes on, and I will go through it. Some 32,000 jobs have been cut from the public sector. That is no surprise. We know what the government think about the public sector. We know what their attitude is towards the public sector. They have slashed funding to the ABC. That is no surprise either. Senator Macdonald talked about Big Brother. The ultimate in Big Brother activity is to shoot the messenger. That is what they did in terms of the ABC. They sold off 49 per cent of Telstra to finance a whole lot of slush funds. We have not seen most of that money. Minister Anderson has dealt with that. He has apologised to the people of regional Australia for that. Major cuts have been made to vital employment programs. They have also...
turned industry policy into an art form in terms of their ad hoc and piecemeal approach. There is no certainty in relation to planning.

They have closed important Commonwealth offices all over the nation. There have been tax office and Medicare office closures. The CES was privatised. They got the boot pretty early on as well. They were replaced by the job network, Employment National. What did Employment National do? It withdrew from an entire state. They have failed to address the issue of declining bank services. They have said, ‘That is up to the market.’ Obviously, this is an extensive ideological program of slashing programs, and the fault for what is happening in regional area and the ire and anger out there has to be laid at the feet of the government. It is no accident that when the Prime Minister goes out there he gets kicked from pillar to post, and the coalition members in this chamber know that. All the policy actions of the government must be seen against these huge cuts that occurred in the first two budgets.

I want to return to what the government terms its ‘flagship program’—rural transaction centres. What a joke. Nearly 12 months after the program was launched by John Anderson and Senator Ian Macdonald, we have only six fully functional transaction centres. Only six communities have received a rural transaction centre in almost 12 months. This is hardly what you would call a major success story. It is really not good enough for the flagship program in relation to regional Australia. All the government has left in regional Australia are the rural transaction centres. That is it in terms of government programs for regional Australia. RTCs are it. After 12 months, how many have we got? We have six.

During this period, what has happened to banks? As Senator Macdonald quite correctly said, Senator Conroy eloquently drew the picture in relation to bank closures in this country. We have had a total of 1,149 bank closures since June 1996 with 318 in rural and remote areas, not regional areas. In the past 12 months, 257 bank branches have closed with 114 of these branches being in rural and remote areas. There have been 114 bank branch closures in the last 12 months. During the same period, how many rural transaction centres did we get? Six. Let us look at that again. On one side of the ledger there have been 114 closures in 12 months and on the other side of the ledger six rural transaction centres have been established. There is something wrong there. They have all gone very quiet on the other side.

What a joke. The rural transaction centres are designed to provide smaller regional communities with a basic range of services—banking, post, phone, fax, Medicare EasyCLAIM, et cetera. They are supposed to be the answer to the declining services in regional Australia. It is an honourable aspiration. The opposition is not going to take that away from the coalition.

Let us look further at the RTC program. The Department of Transport and Regional Services portfolio budget statement for 1999-2000 commits to establishing 70 rural transaction centres this financial year. It is March. How many more months have we got? We have three more months of the financial year left. How many rural transaction centres have we got so far? Six. How many are we supposed to get by the end of this financial year? Seventy. Do you think that is going to happen? I do not think so. I do not think we are going to go from six to 70 in three months.

Senator Quirke—One a day.

Senator MACKAY—As Senator Quirke says, that would be one a day. Unfortunately, the PBS was wrong. When we asked about this at estimates we got the answer that we knew: the maximum this government is going to deliver by the end of this financial year is 30. If it achieves that, that is good. We will have not 70 RTCs but 30. That is this government’s response to the major rationalisation of banks and to the major withdrawal of services in regional Australia. The government’s flagship program cannot even meet its own stated objective of 70 rural transaction centres in one year. Call me cynical, but I just do not think it is going to get to 500 over five years. In the first year we have under 30 and in five years we are supposed to get 500. I do not think it is going to happen.
Speculation of a merger already between the Commonwealth Bank and the Colonial bank means—I think Senator Conroy covered this—more bank closures and more job losses. So what have we got? We have the rural transaction centre program and we have six RTCs. While the abject failure of the government to deliver on its own program, its flagship program, is an absolute disgrace and is a source of great shame, there is a bigger source of shame. Minister Anderson has highlighted the government’s failure to deliver on the promised spending programs from the sale of the second tranche of Telstra—we have not seen the money. Even the National Party, the so-called party purportedly represented by Senators Boswell and McGauran, accepted the arguments of the Treasurer and the finance minister. The National Party voted for the 49 per cent sale of Telstra, so they cannot cry crocodile tears in relation to it—they voted for it.

Where is the money that rural and regional Australians expected because this government sold 16 per cent of Telstra? I suspect it has become non-core. In the same breath we have $2 billion worth of profit being delivered by Telstra and we have an announcement of a further 16,000 job losses. No wonder regional Australians are angry with this government. No wonder this government is headed down a very dismal path in terms of its electoral success. No wonder the National Party are putting out press releases urging caution. No wonder Minister Anderson, in a fairly pathetic, wimpy and mendicant like status, is pleading with Telstra not to cut regional services to the bush. The Deputy Prime Minister is saying to Telstra, ‘Please don’t cut regional services to Australia.’ It is absolutely pathetic. This government will be judged at the next election. We will be back in power and we will get things moving again. (Time expired)

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.31 p.m.)—After that diatribe of drivel from Senator Mackay, I think it is a relief to look at the words of this motion which Senator Mackay moved. It talks about financial and telecommunication services. I realise that Senator Mackay feels comfortable only with topics that she thinks she knows anything about and that is why she strayed from the topic—she does not know much about financial and telecommunication services and indeed she talked about anything else but.

Talking about Telstra and their job reduction program, I would like to point out to members of the Senate that this actually began under the Labor government. It is an absolute mistake on the part of the opposition to imagine that job losses will lead to the collapse of services. As has been pointed out in many media articles during this week, job losses or job changes do not equate to a loss of services. The government programs that we have put in place and that we have so far achieved because of the sale of Telstra include the Networking the Nation and Accessing the Future initiatives. They are also creating jobs and they are enhancing the lives of rural and remote communities.

Many of the job reductions which were announced yesterday by Telstra are actually outsourcing contracts. Telstra will contract local companies in rural areas for maintenance of its programs, and this is actually a boost to regional small business. I would also like to point out from the figures that Telstra gave us today in the very informative parliamentary forum that 88 per cent of active job seekers in Telstra’s outplacement program have found and retained work—that is, 88 per cent of people who actively wanted to find another job through the Telstra outplacement program have actually found work. In addition, 59 per cent of all departing employees have chosen to take advantage of this program. That is a very good percentage. I would also like to point out that employment in the telecommunications sector is growing at nine per cent across the country and, for a well-qualified person who has been part of the Telstra network, it should not be too difficult to find another job.

As well, Telstra’s service standards have been steadily improving over the years as a result of productivity improvements, and claims by the Labor Party that services are being lost in rural and remote areas are incorrect. There is an increasing amount of calls
by customers on Telstra’s service network. That is why the number of service calls have gone up. The federal government and Telstra are still committed to improving telecommunications service standards in rural and remote areas, and the CEO of Telstra has committed the company to a year-on-year improvement of its current service levels, and the government, through the Australian Communications Authority, will hold Telstra to this commitment.

We have the customer service guarantee, which has been put in place by this federal government in a comprehensive program of legislation to protect consumers’ rights and consumer service standards. Under 13 years of Labor government, Telstra was not required to meet any service standards. Phones were merely connected and fixed in a time frame agreed by Telstra and the customer. Now we, the Howard coalition government, have given the industry watchdog, the Australian Communications Authority, the power contained in part 26 of the Telecommunications Act to actively investigate Telstra’s performance against the customer service guarantee standard, and it is vital that Telstra’s board is free to make decisions in the best interests of the company. I am sure that the many shareholders, including more than two million Australians who currently own shares in Telstra, will maintain a very active interest in the company’s affairs. The last thing that the government wants to do is inhibit Telstra’s power to manage its own affairs in any way.

I would also like to point out that the total social bonus for the sale of the second tranche of Telstra amounts to $1 billion from which rural, regional and remote Australia will substantially benefit. We are going ahead with establishing vital telecommunications infrastructure, and I have already mentioned a couple of programs. I think that should dispose of any remarks made by the opposition.

It is important also to point out that Telstra is not the only telecommunications company active in the field in regional Australia. There are some 200 small to medium telecommunications companies operating in regional Australia which are actively enhancing the lives of people in those areas and providing them with competition. If they do not want to use Telstra, they do not have to. There are a million other opportunities available and people are taking those up day by day. As I have pointed out, competition is the essence of this. Freedom for the consumer to choose which telecommunications company they are going to use is very important to this government. Freedom of choice is very important to this government.

I would like to turn now to some of the remarks that have been made about bank closures, and my colleague Senator Macdonald has already dealt more than adequately and, if I may say so, in an extremely competent manner with the rural transaction centres. There is no denying that a large number of banks have closed over the last 10 years, but what have been the drivers of this? The financial market deregulation policies of the Hawke and Keating governments obviously produced more competition in this sector, but that meant that the banks had to dramatically overhaul their operations by removing a range of hidden cross-subsidies that had been used to keep uneconomic branches open. There was also, of course, the failure of state Labor governments in both Victoria and South Australia that led to the need for drastic action to rescue the banks, which inevitably meant that duplicate branches were closed. There was also the Commonwealth Bank takeover of the State Bank of Victoria and the State Bank of South Australia.

We have recognised the need to address the issue of banking in rural areas—witness the rural transaction centre program—but it is also pleasing to see that there are other commercial alternatives available through the community bank concept of the Bendigo Bank or through in-store banking, like that of Westpac. I would like to dwell on these for a moment. The government is not in the business of banking. The former Labor government realised this, and this is why they sold the Commonwealth Bank. It is very pleasing to see that local communities are taking solutions into their own hands and putting forward concepts which mean that the people themselves own the bank, they can see how they operate, they are local concerns and the profits go straight back into the community.
Let us look at the community bank concept. One of the variations on this operates as a franchise of a major bank, such as the Bendigo Bank. The community takes responsibility for the physical delivery of services, premises and staff. Bendigo Bank, to use an example, provides the capital, the systems and the ongoing support and development of the business. The Bendigo Bank and the community then divide the revenue between them. As we speak, the Bendigo Bank so far has more than 20 community banks in Australia. They are in Victoria, Western Australia and New South Wales. I am pleased to say that more than 50 communities are now in discussion with the bank. I would like to quote from an article in yesterday’s *Herald Sun*:

But as the big boys exit traditional branch banking on mass, most recently witnessed by the Bank of Melbourne’s savaging of bush branches, the Bendigo scheme is roaring ahead. Twelve communities affected by the Bank of Melbourne’s revamp have investigated setting up a community bank.

And, as I said:

More than 50 communities are in discussions with the bank, nearly 20 of which are primed to open a branch or are progressing after raising start-up capital.

I have mentioned Bendigo Bank, but other banks have admitted that they are considering setting up a similar scheme, with Colonial State Bank opening a trial branch.

There are very positive reports on the progress of community banking. For instance, last year’s report on regional banking services by the House of Representatives Standing Committee on Financial Institutions and Public Administration stated:

All branches currently opened ... are trading ahead of their projected business targets. In total the operating branches have more than 4,000 customers and a total business volume which has been growing by more than $2 million a week.

I should also mention that, in this connection of community banks, last month, for instance, the Upwey Community Bank, which is in an outer suburb of Melbourne—so it is happening not just in regional areas—revealed that it was reaping $10,000 a month in profit. All this money goes from that particular bank into the community in some way or other. Those who financially back the bank receive a return on their investment, and later this year Upwey’s Bank Board will set up a committee to decide what local project to fund. What could be a better example of a community bank in action than putting the money back into the community?

Another commercial banking initiative which is taking the place of traditional bank branches is the in-store branch. Westpac has committed itself to maintain face to face services in every country town it operates, despite claims to the contrary by Senator Conroy, through this in-store facility. This in-store model has been backed by the National Farmers Federation, and the inquiry by the House of Representatives Standing Committee on Economics, Finance and Public Administration also commended it highly. It had this to say about the in-store branch:

The model satisfies many of the needs for basic personal and business banking services for those in remote and regional areas. It provides customers with access to over-the-counter services, a feature of particular benefit to the elderly, the disabled and others uncomfortable with technological alternatives. Businesses maintain access to cash and a secure place to make deposits.

Westpac tells us that, through its in-store branches, it is able to ensure that those people who want to continue to do their banking over-the-counter can keep doing just that. We all know what traditional branches do. But at an in-store branch—and I will describe the details in a moment—if you want to make a cash withdrawal, you can make a cash withdrawal. If you want to cash a cheque, you can cash a cheque. You can make a deposit to your personal and business account. You can make a repayment on your home loan. You can make a repayment on your personal loan and your credit card. You can also get a cash advance. People will not have to travel to another town to carry out their banking because the in-store branch improves the level of services available to rural communities. It also has longer opening hours. We are all used to banking from Monday to Friday, with opening hours being between 9.30 a.m. or 10.00 a.m. and 4.00 p.m. The in-store bank is not only open longer during the week but
open on Saturdays or the weekend, and that is a greater convenience for customers.

Westpac, I believe, pays very special attention to proposals which take over the current branch and often employs members of the current staff to help minimise the disruption from the change to its customers. Westpac also pays a market based fee for each transaction carried out in the in-store branch, which can be a valuable income source to an existing business or a valuable supplement to ratepayers' income for a council or shire. Significantly, Westpac has used this model to go back into 10 country towns where it previously closed a branch, and it has also opened in-stores in two towns where it has not previously operated. In my movements around regional Australia in the next couple of months, I hope to go and look closely at one of these in-store branches to satisfy myself that everyone is happy with the operation of that, and I am looking forward to that very much.

I have used Westpac as an example, but I believe that the opposition, in putting forward this motion, should give the government and some of the banks credit for actions which are now being taken to maintain the availability of top level banking services in those country towns. It should especially do so because Labor's track record in government was woeful, and it is now crying crocodile tears over banking in the bush because it thinks there are some quick votes to be picked up. But Labor helped create this situation. It did not understand what sort of impact financial market deregulation would have on the operation of the banks in rural areas. It could not even think that far ahead, and the incompetence of its state colleagues resulted in a massive branch rationalisation program in some states. If Labor was so committed to maintaining rural banking services, it could have done that, but it did not.

One of the key reasons for this failure to act was that the Prices Surveillance Authority, a body of its own creation, rejected the very concept that Senator Conroy is now championing—a community service obligation. The Prices Surveillance Authority specifically rejected the idea that a community service obligation for banks should be introduced. The Prices Surveillance Authority concluded in 1995 that banks should not be required to provide a minimum level of service to remote communities. I believe that the Labor government was in power in 1995, and you would have actually thought that, if they are so keen on it now, they would have done something about it, but they did not. The Prices Surveillance Authority was of the view then that, if the community believed there should be a community service obligation for banks, society generally should pay for it via the taxation system. We reject that approach totally, and we believe, as Senator Macdonald has outlined, that the rural transaction centre program can deliver a far better outcome.

A community service obligation such as Senator Conroy has in mind, which requires banks to provide a minimum level of service to rural customers, is really a call for a minimum number of so-called traditional bricks and mortar branches. But it is totally incorrect to equate a banking service with a bricks and mortar branch. As I have shown, it is possible to provide these sorts of services in more different ways. Bank customers in rural and remote communities now receive their banking services in a number of forms, not only through the way I have outlined but also through telephone banking and Internet banking, which is available 24 hours a day, seven days a week. In fact, around 80 per cent of transactions now take place outside branches. There is also an extensive EFTPOS network in these areas, so there is a greater number of alternative ways by which people in country towns can obtain cash.

That view is strongly supported by an independent research group that Senator Conroy, the ALP and the financial services union often quote in support of their misguided calls for a community service obligation—that is, the Centre for Australian Financial Institutions. They gave a report in 1997 entitled Economic and social impacts of the closure of the only bank branch in rural communities, and Senator Conroy has used this to support his position. However, a subsequent report released by that same group in 1998 showed that a majority of respondents to a
follow-up survey that they had done reported that the convenience of access to financial services and the range of financial services available in 1998 was the same as or better than in 1996, with self-service banking being a major factor in this result.

As well, the number of respondents who made more than one extra trip per month to another town to carry out their banking had declined from 66 per cent at the time of the original survey in 1996 to 21 per cent in 1998. We all know that the rise of some towns and the decline of others is due to a host of other reasons, and we can take that to as far back as the arrival of the motor car. But people are obviously adjusting to the changed banking situation and making other arrangements. On balance, it is understandable that the 1996 report may well have overstated the effect to which a bank branch closure would prove negative for confidence in the future of the relevant towns.

Very briefly in closing, I would just like to point out that the last part of this notice of motion speaks about the comments by the Prime Minister, Mr Howard, that the banks do have social obligations. He said this, but this has been taken slightly out of context. I would just like to read the quote from his press conference where he said:

Banks have got obligations. I am not attracted to the idea of formal legal compulsion in relation to social obligations. I don’t think that works, but I am saying to the banks they have privileges and, just as a citizen has responsibilities as well as privileges, rights and responsibilities, the same thing applies with banks.

As I have indicated, communities themselves will make the choice whether it is one bank over the other, whether it is a community bank or whether it is a change to telephone banking and the other alternatives that are available today. Governments should not be in the business of banking, and that is what this coalition government firmly believes should be the economic way ahead for the future.

Senator LUDWIG (Queensland) (5.51 p.m.)—I rise to speak to the motion on banks and rural transaction centres. This is a matter that I have previously had an opportunity to put before the Senate. I am very pleased that I have another opportunity to again raise this important issue. It seems unfortunate that nothing much has changed since I last spoke. Banks continue to extol their virtues without, in my view, actually doing anything positive to address the real problems in regional and rural Queensland.

Turning specifically to bank fees themselves, banks over the last 10 years have earned a rise in proportion to their total income from non-interest income. It has largely come from fees. Banks have had a declining margin in interest income, so customers, they say, have benefited from falling margins. However, it is not those with smaller balances who feel better off. The Reserve Bank of Australia’s bulletin of June 1999 says that the customers with smaller balances and a lot of transactions could be worse off.

Banks continue to maintain their profitability. They have done this by cutting costs. The true worth to banks is to facilitate this process. The banks are endeavouring to channel people away from many face-to-face services. So this is the competitive market that they describe. People, in my view, demand a service that is face-to-face in many instances. The banks use high fees as a deterrent, and the government tries to introduce rural transaction centres. I say ‘tries’ because there is only one in Queensland.

In an effort to quell the rising disgust of people who cannot reasonably and cheaply satisfy demand for face-to-face service, a curious competitive market is emerging—or is it really a competitive market? We already know that the services that banks are providing are a fair bit below standard. When you look at the Choice January-February 2000 article called ‘Hanging on the telephone’, not only is this channelling effect helping them to reduce costs by cutting face-to-face services, but the banks seem also to be scrimping on the alternatives, such as the telephone or Internet, where they are sending people. Perhaps banks are not really banks. Perhaps they do not want customers at all.

The article makes the point that only 23 per cent of calls to the national telephone information services of Australia’s four largest banks—the ANZ, the Commonwealth, the
National Australia Bank and Westpac—received complete and correct answers to straightforward inquiries, so we can surmise that banks must not be that interested in customers at all. It seems that the banks’ argument, typically provided by a Westpac press release dated 8 March 2000, is not convincing people much at all. It is worth going to the bank press release for a brief moment. It was originally addressed to Senator Stephen Conroy and it states:

As we have advised you and your office on a number of occasions—

And they go through a number of dot points.

Senator Troeth in her speech tried to provide us with some comfort that because of these dot points particularly Westpac were doing their bit. Let us have a look at and dissect what Westpac say they are doing. They say at the first dot point:

We have made a solid commitment to maintain face-to-face banking services in every country town we currently operate in. This commitment was made in November 1998 and we are fully delivering on it. We are the only bank to have made this commitment.

The second dot point states:

When making this commitment in 1998, we made it clear that we could move to provide these services via an alternative model to ensure that delivery of our top quality banking services could be maintained in rural Australia on a sustainable basis.

So what is their top quality banking service? It is the in-store bank. Senator Troeth also championed that, and I will come back to exactly how good that is shortly. In addition, Westpac said:

It is totally incorrect to attack Westpac for closing branches and for failing to meet our social obligations.

Even the Westpac Bank now are talking about social obligations. So too is the Prime Minister. Perhaps in the back room they could get together and actually draw them up and articulate them all for us to see. They say:

We are totally committed to rural Australia.

As I said earlier, their response, in fairness, is an in-store model. Let us have a quick look at this in-store model. Senator Troeth did talk about the in-store model, but I suspect not about what I am going to say. I will quote from the background paper from Westpac, which I suspect she also has. It states:

Our in-store model provides customers with a personal banking service and a full range of every day, over the counter transactions including—

I re-emphasise the phrase ‘full range of every day, over the counter transactions including’; it says ‘full’. But what is missing from this list as I go through it? It talks about:

... cash withdrawals, personal and business cheque cashing, cash and deposits to personal and business accounts, repayments to home loans, personal loans and credit card payments, cash advances on credit cards.

And there the list ends. It does not talk about accessing bank balances or about accessing home or car loans, a couple of the things I would be looking for if I went to a bank. They say they are not part of the ‘full’ range. I am very surprised indeed. I am very surprised Senator Troeth would say that they are providing a good service. I too will take up the opportunity to have a look at their in-store service. I will ask them those questions again to see if they have managed to solve them by the time I get there.

In addition, there are phones and the Internet. I highlighted earlier the lack of services on phones, but let us have a quick look at the Internet. This is no doubt an innovative solution. The set-up may be costly, but it is going to be very difficult to achieve the same level of face-to-face service. This is not to say that the Internet is not a wonderful innovation. However, in fairness, it is an additional service, an adjunct, and not a solution to the closure of banks in rural areas and the withdrawal of services from rural communities.

It seems that, if this is the push by banks and it continues, it will directly lead to more concrete requirements placed on banks to ensure minimum service levels. Perhaps a banking industry code should be adopted by banks voluntarily to address their lack of service to rural Australia. Westpac talk about social obligations. Perhaps they can put that in more concrete terms.

If rural communities are hoping that ATMs may come to town to replace a closed bank, they need to think again. An article in the Financial Review on Friday, 3 March
2000 was entitled ‘Banks outsource as ATM use declines’. It seems that the ATM market is declining and so too is their profitability. The response since 1994 is a 40 per cent decline in monthly transactions. Thus, it seems that the solution by banks is to outsource. What, you may ask, is the effect on rural communities? This government should be forewarned so that they may address it more appropriately than they have in respect of bank closures. We know what that will mean. It will mean higher fees and charges with some ATMs as opposed to others.

Customers are going to get very sick of this, so banks are telling us that the rural ATMs will not charge a higher price when you outsource your ATM services to a number of companies. If you live in a rural area and do not have an ATM and you want one, I can only say, ‘Be very careful. You may get one and pay through the nose for it.’

And what is the coalition government doing? An article in the Financial Review on 25 February 2000 reported that ‘the Treasurer’s Secretary, Mr Ted Evans, expressed sympathy yesterday for disadvantaged regions around Australia. He said some downsides had to be acknowledged.’ He went on, ‘With a little patience, we will see those matters resolved.’  

(Time expired)

Debate interrupted.

DOUMENTS

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! It being 6.00 p.m., the time allotted for the consideration of general business notices of motion has expired. The Senate will now proceed to the consideration of government documents.

Consideration

The following orders of the day relating to government documents were considered:

Department of Transport and Regional Development—A measured approach to aviation safety reform—Policy statement by the Deputy Prime Minister and Minister for Transport and Regional Services (Mr Anderson), November 1999. Motion of Senator O’Brien to take note of document agreed to.


Department of Immigration and Multicultural Affairs—Australian citizenship statistics—Report for 1998-99 pursuant to the Australian Citizenship Act 1948. Motion of Senator Cooney to take note of document agreed to.

High Court of Australia—Report for 1998-99. Motion of Senator Cooney to take note of document agreed to.


International Labour Organisation—Convention No. 181—Private employment agencies. Motion of Senator Cooney to take note of document agreed to.

International Labour Organisation—Recommendation No. 188—Private employment agencies. Motion of Senator Cooney to take note of document agreed to.

International Labour Organisation—Recommendation No. 189—General conditions to stimulate job creation in small and medium-sized enterprises. Motion of Senator Cooney to take note of document agreed to.

International Labour Organisation—Australia’s submission report on International Labour Organisation (ILO) instruments adopted in 1998—Declaration on fundamental principles and rights at work, and general conditions to stimulate job creation in small and medium-sized enterprises. Motion of Senator Cooney to take note of document agreed to.


Genetic Manipulation Advisory Committee—Report for 1998-99. Motion of Senator Bartlett to take note of document called on. On the motion of Senator McGauran debate was adjourned till Thursday at general business.

Productivity Commission—Report—No. 10—Australia's gambling industries, 26 November 1999—Vols 1-3. Motion of Senator Sherry to take note of document called on. On the motion of Senator Ludwig debate was adjourned till Thursday at general business.


General business orders of the day nos 15-18, 21, and 23-35 relating to government documents were called on but no motion was moved.

COMMITTEES

Treaties Committee
Report

Debate resumed from 17 February, on motion by Senator Mason.

That the Senate take note of the report.

Senator LUDWIG (Queensland) (6.04 p.m.)—I wish to focus on the inquiry into the use of the Shoalwater Bay army training area by the Singaporean armed forces, which comes under one of the three international treaties included in report No. 29 of the Joint Standing Committee on Treaties. As part of this inquiry, the committee travelled to Rockhampton to speak with members of the local business community, local and state government representatives, local environmental groups and defence officials based in Rockhampton. The committee also inspected the training area and met with visiting officers of the Singaporean armed forces.

I would like to place on record my appreciation for the assistance given by everyone who put submissions in to the inquiry, facilitated meetings and the inspection of the training area or appeared as witnesses in the public hearings. I would like to thank the Singaporean armed forces for their frank and open discussions and for allowing the committee members to view their training exercise. In particular, I would like to thank Mr David Lim, Minister for State, Dr Bernard Chen, who was a member of the group of the representatives for Defence, and Colonel Chang Long Wee, the Singaporean armed forces defence attaché, for their hospitality. I thank the mayor, Mr Jim McRae, and other local council and state government officials, who also gave up their valuable time to meet with us to discuss a number of issues of concern. I would also like to thank Mr Barry Large for coordinating the meeting with many representatives from the local business community, allowing us to gain first hand their perspectives on the implementation of this international agreement.

While we were told of the many economic benefits to the region that flow from the use of the training area by visiting international forces, there are also some difficulties needing to be addressed and suggested improvements in the implementation of this agreement. The committee also received in considerable detail information on the environmental strategies and protection measures in place to protect the environment. We were able to view at first hand the benefits of the department’s managerial expertise in maintaining the high conservation value of this area.

In light of these and other benefits to Australia’s international relations, our final report supported the proposed agreement. However, while we believe that this agreement is in Australia’s national interest, there were some suggestions for improvement. We believe that the administrative and consultative processes over the duration of this agreement can be improved. We recommended that the Department of Defence undertake additional consultation with the local business community during the preparation of future agreements with international forces to expand the opportunities for local businesses. Additional consultations with the local environmental groups and improvements in the dissemination of information could also allay many of the concerns about the adequacy of the environmental management of the area. This would enable the conservation groups to have
greater confidence in the environmental management expertise of the Department of Defence.

We urge the department, the local business community and the environmental groups to be more proactive in maximising the benefits of an agreement such as this in the region. This inquiry provided an excellent example of the application of the reformed treaty making process and provided an opportunity for the Queensland community to have their say on a proposed international agreement which has significant employment opportunities for the region. I congratulate the Rockhampton community for taking advantage of this opportunity and thank them for their hospitality and the time and effort spent in preparing material and speaking with the committee. I encourage all Australians to take advantage of these opportunities. Public participation in our treaty review process is crucial if we are to ensure that the international agreements reflect and advance Australia’s national interest.

Question resolved in the affirmative.

**Rural and Regional Affairs and Transport Legislation Committee**

**Report**

Debate resumed from 8 March, on motion by Senator Crane:

That the Senate take note of the report

**Senator HARRIS (Queensland) (6.09 p.m.)—by leave—**I would like to place on record my appreciation to the chair, Senator Crane, to the other members of the committee, the secretary and staff and those who presented submissions to the committee. The committee’s report was a unanimous one, supporting the move to gear units. In the conclusion and recommendations of that report, paragraph 5.1 stated:

5.1 The Northern Prawn Fishery (NPF) is the most valuable Commonwealth fishery in Australia, worth between $100 and $150 million annually. The most valuable species caught in the fishery is tiger prawns. However, the annual catch of tiger prawns in the NPF has declined from around 5,000 tonnes in the early 1980s to around 2,000 tonnes in 1999.

There is conflicting evidence in the report that indicates this conclusion in 5.1 is factually incorrect. The average yearly catch for tiger prawns in the years 1980 to 1989 inclusive was 4,237 tonnes, not 5,000. And the average yearly catch for tiger prawns in the years 1990 to 1999 was 3,078 tonnes, not around 2,000. Consider this in the light of the average number of vessels fishing in the management area in the eighties: this was 248, and they caught 4,237 tonnes of tiger prawns, giving a boat average of 17.08 tonnes. Then consider that the average number of vessels fishing in the management area in the nineties was 143—that is, less than half of the number in the eighties. Those 143 vessels caught an average of 3,078 tonnes of tiger prawns during the nineties, giving a boat average 21.64 tonnes. So, to recap: the average in the eighties was 17.08 tonnes per vessel but the average in the nineties was 21.64 tonnes per vessel.

To take the comparison one step further and look at the boat days for the period 1980 to 1989, the yearly average was 36,898, resulting in that catch of 4,237 tonnes. And for the period 1990 to 1999 the average of boat days was only 23,697 to result in the catch of 3,078 tonnes. So, again to recap: in the eighties 36,898 boat days resulted in 0.1148 tonne per day of tiger prawns; yet in the nineties the 23,697 boat days resulted in 0.1299 tonne per day of tiger prawns. If the committee was to have taken these statistics into consideration then it is difficult to understand the opening statement in paragraph 5.1, and it places serious doubt upon paragraph 5.2, which states:

5.2 This significant decline in the tiger prawn catch is primarily attributed to overfishing, which has been ongoing over several decades.

I would like to address three issues in paragraph 5.3—that is, engine capacity, the headrope and the phrase:

The revised arrangements will reduce the total available headrope across the fleet by 15 per cent...

Engine capacity under A-units is regulated and restricts two parameters. First, it restricts the length of the net that that horsepower can drag through the water without creating a bow wave—that is similar to the wind that is pushed by a large semitrailer. I think all senators would have felt the effect of that in a
small motor vehicle. In the case of a net volume that volume is trapped inside the net and it affects what will enter the net. The second and more important issue is the percentage spread that that horsepower will drag through the water at a controlled speed. The removal of regulations on horsepower will allow the same vessel to tow nets with a longer head rope. This introduces another area of doubt—that is, the possibility of varying the speed of the vessel. But it is very clear that the removal of the regulation on the horsepower would allow those vessels that have higher horsepower available to tow the same net but with a greater spread. In doing that, I believe that the committee—in recommending the change to gear units—is possibly opening the resource and the environment to greater pressure than it is currently exposed to under the existing A-unit system.

The third issue concerns the revised arrangements to reduce the total available head rope across the fleet by 15 per cent. This statement does not convey that this 15 per cent reduction is not evenly distributed across the vessels in the fishery. A document prepared for NORMAC 43 and tabled at the committee’s recent Brisbane inquiry was based on the 1996 head rope used by each vessel and it sets out the win-lose for each of those vessels and expresses that in metres. This NORMAC document shows varying reductions for the 129 listed vessels—that is, 122 suffer losses up to 16.9 metres, while the remaining seven vessels gain up to 5.3 metres of extra head rope. This data available to the committee is misleading for the wording implies to the reader that the reduction is spread across the fleet, where the indications are that it will affect the majority of those in the fleet—who will lose—and the minority will gain.

AFMA argues that the changes to the vessel’s engine capacity cannot be enforced. As I have previously pointed out, the effort—in boat days—in the nineties is less than the effort in the eighties. The adoption of head rope restrictions provides greater flexibility to implement further restrictions in fishing effort if necessary in the future. This statement would appear to indicate that this would be only the first of other unspecified reductions within the industry. In its findings under section 5.6, the committee states that it ‘considers that limited evidence has been presented to support any alternative proposal over the AFMA plan.’ Time will not permit a detailed overview of the alternate proposals presented to the committee but, suffice it to say, the time delay in implementing the gear units is in part a reflection of its overwhelming rejection by 87 cent of the industry. That was indicated in an independently facilitated plebiscite of the members.

In conclusion, I recognise that the majority of the industry has indicated its rejection of the proposal to move to gear units. I also wish to put on record that as a participating senator in this Senate inquiry—under committee rules I do not have a vote on the committee—I oppose the committee’s recommendations to support the implementation of gear units within the management plan. As AFMA has backed away from the implementation of gear units in the first part of the 2000 season, there is still time to address the issues. (Time expired.)

Senator McLucas (Queensland) (6.19 p.m.)—I would also like to take note of the report of the Senate Rural and Regional Affairs and Transport Legislation Committee into the 1999 management plan for the Northern Prawn Fishery. I need to make some comments about the process which led to the inquiry and, subsequently, to the report; the recommendations of the report; the resolution of the issues for the Cairns based fisheries; and what is not in the report. Late last year I was contacted by Darren Cleland, representing the Cairns Regional Economic Development Corporation. He expressed concern about the imminent passage of the Northern Prawn Fishery Amendment Management Plan. Following his representations, I contacted the prawn fishing industry in Cairns and ascertained that they indeed had concerns about the plan and its implications for the operators in the industry and for the region. Their concerns, in essence, related to the inability of the plan to deliver sustainability in the fishery, the focus of the research undertaken to inform the management plan and the inequity of the plan in its implementation—that is, the fact that opera-
tors with smaller vessels, most of whom are based in Queensland, would be disadvantaged.

The request from the NPF QTA was that the amendment management plan be disallowed in the Senate as they had had no success in obtaining support from the government to withdraw it. I can advise the Senate that I treated these concerns seriously. As a Queensland senator I could not sit back and allow my state to disproportionately suffer from the implementation of this plan. I was concerned that the proposal would not support the ongoing future of the fishery, so the proposal to disallow the instrument was seriously canvassed by me. As many of us know, there was strong lobbying from many of the players in the fishery. The reality at this stage was that there was limited broad understanding by senators of the issues that the fishery faced. It was evident that the decisions might be made on the effectiveness of the lobbyists’ submissions and not on the substance of the issues. It became apparent to me that the only means of properly examining the substance behind the various claims and counterclaims was through an inquiry. I am pleased that the Labor Party was instrumental in making that opportunity a reality. It was also the ALP that broadened the terms of reference to include all matters relating to the management plan. This allowed a full and wide-ranging inquiry which, in my view, has been a successful process and informed all of those who participated in the process.

From the outset, it was evident to me that there was no support for the option of the disallowance of the plan. Given the understandably limited knowledge of the extremely technical and complex issues, it was inappropriate for a decision to disallow to be made on diametrically opposed lobbyists’ arguments. An inquiry allowing the variety of positions to present their points of view was a sensible option. The recommendations of the report go much further than support or not for the plan. The report recognises that there is significant evidence that questions the plan’s ability to deliver sustainability in the fishery. That is why the ALP argued to include a recommendation to AFMA to assess the plan to ascertain whether it could deliver the outcome that all industry members agree on: a fishery forever. The ALP also argued that there were alternative approaches to managing the fishery that warranted further examination. The proposal by MPFQTA for the adoption of effort units as a tool to manage the fishery was in my view well argued and provides another option that has not to this point in time been canvassed by research undertaken by AFMA. That is why the report recommends that the proposal be assessed. This level of research with the inherent costs should not be the responsibility of an industry organisation. It is the responsibility of the managers—that is, the government—to fund this research. Through the recommendations of this report, it now will be given the level of attention it deserves.

The above research priorities will assist to fill the research holes that became extremely evident in the inquiry. It was of concern, I think, to all senators that there had been no work done to date on the interaction between the prawns and the trawlers, the physics of the fishery. This work has now begun and will be part of the evaluation of the ability of the amendment management plan to effectively deliver sustainability to the fishery. Another of the recommendations pursued by the ALP follows up one of the concerns of the Cairns based fleet. The third part of recommendation 9 directs AFMA to commission research which will ascertain the economic impact of the plan on all of the fishers. The result of these three pieces of work will be provided within two years. It will be completed prior to the end of the transitional period of the plan, during which smaller operators will receive a number of top-up gear unit SFRs.

There are other recommendations in the report which respond to the concerns of the Cairns based operators, and I urge attention to their substance and effect. Whilst I am aware that some of the Cairns based prawn fishers will not be satisfied with the outcome of this inquiry, I ask them to look at the reality of the situation. Disallowance of the regulation would have been simply that—the refusal of the instrument, with no direction, no certainty and no advice to AFMA about how to resolve the conflicts in the industry.
Alternatively, we have had an examination of these issues and clear advice to AFMA about how to proceed. There are more ways than one to arrive at a destination, and I am of the view that the research work that AFMA will undertake will provide the clarity that is required to make decisions that will be respected by all players in the industry.

There are a number of issues that arise from the inquiry which, because of the terms of reference, could not be reported on. One is the process of consultation that AFMA has pursued in the development of this amended management plan. It is of extreme concern to me that AFMA began this process some nine years ago, in 1991, with the establishment of the future options working group. Sectors of the industry advise that opposition to the move to gear units was expressed at the very first meeting and, as we know, has been expressed almost continually since then. It is disappointing, to say the least, that we are here nine years later with an angry and divided group of fishers, some of whom lack any trust in either the research or the process of decision making. It is recognised that it is a very competitive industry. Fishers have much at stake when change occurs. However, there is one unifying element. They all know that they depend on the fishery remaining viable and sustainable. Without the prawns, there is no industry. I am of the view that now is the time for a review of the AFMA management process, established with the very good intentions of removing political involvement in the important task of resource management. It is a laudable goal, but one which over the last few years has broken down.

Because AFMA has not been able to bring the industry to a point where there is a common point of view, fishers are moving to the political arena to resolve their concerns. This process is fraught with danger. It is not appropriate that decisions about natural resource management be made from a political point of view. Such an approach leaves open the possibility that important issues like sustainability will be compromised by party politics. That is what happened in 1998, when the minister, Warwick Parer, intervened in the process. Senator Parer established an allocation assessment panel—quite an acceptable process. However, he said that it was in order to examine concerns from Cairns operators that AFMA’s management proposals were going to disadvantage them.

The reality is that the terms of reference that he gave to the AAP, the allocation assessment panel, did not allow the panel to address the concerns of the Cairns based fishers. Justice Toohey, the chair of the panel, said as much in his report. The minister gave them false hope, I think, in the hope that they would give up and go away. Unfortunately, the result is further disillusionment and scepticism. Good resource management should not require political intervention, but political intervention is inevitable if people feel they are not being listened to. It is time for a full review of AFMA and its relationship with all sectors of industry. We need a system of fisheries management where cooperative decisions can be reached for the good of the fishery. The fishery is the sum of the resource and the industry. Good sustainable management provides a future for both. In conclusion, I am pleased that the recommendations of the report will provide AFMA with a way forward, which we here in the Senate will monitor through the Senate estimates committee.

Senator BARTLETT (Queensland) (6.29 p.m.)—I want to speak further on this report because it is important. A lot of people, including me, have put a lot of time into it. It does not just consider an issue and reach a resolution; it is a report of ongoing importance. The committee has worked hard to produce a good report. I would like to especially commend Senator McLucas for the focus and time that she put into it. It was an issue that she also gave a lot of consideration.

In a sense, I have less of a direct interest than most senators, because I have not eaten a prawn for about 15 years. The health of prawns or prawn fisheries is not something I have a direct personal interest in but, as a representative of Queensland and as the Democrats’ environment spokesperson, I have a broader concern about both the economic health of what is quite an important fishery and the environmental health of the ocean region across the north of Australia.
It is important to re-emphasise a couple of points that Senator McLucas, in particular, was making—but all senators that have addressed the report have made these points, including Senator Harris. I would like to reiterate concerns about the process. I realise it is difficult to get consensus across any industry, particularly one like this. I am not trying to suggest that AFMA is at fault if it cannot get universal approval for everything it does. But this industry is clearly quite divided.

Over the last eight or nine years, a lot of attention seems to have been paid as much to pushing through what was perceived to be the desired outcome rather than objectively assessing the evidence. That is highlighted in the gaps in the existing research, given how long the issue has been on the table and given how long the concerns have been around and expressed by a range of people and groups. I find it very surprising that research has not been done in various areas. I am pleased that the committee report seeks to redress that, and I hope it is also able to redress some of the other concerns with the process and consultation.

There is widespread cynicism in the community these days about the motivation and intent of a lot of consultation done by government bodies and whether or not it is just a smokescreen to be used to justify the implementation of a predetermined outcome. I would not necessarily say that this was 100 per cent the case in this circumstance, but I do not blame some people for perceiving it to be the case. It is a perception that all government bodies need to be much more conscious of and keen to avoid. It is more crucial than ever that community consultation that is done is not only genuine consultation but seen to be genuine. The consultative process is not just reaching a technical decision but also, if not getting the support of the community you are consulting with, at least ensuring that they have an understanding and a faith that the right decisions were made or that decisions were made for genuine reasons. There is still work to be done in that regard.

It must be seen as far from certain that the move towards regulating net size or head rope length at the same time as removing horsepower controls or engine strength controls over the fishery will produce a significant reduction in fishing effort. There is a potential to reduce effort with major wind backs but, at the same time, there is also an opportunity for increasing effort through horsepower increases. One assumes that would be recognised, otherwise horsepower would not have been a unit that was controlled beforehand.

There has to be uncertainty about how effective this change will be, but it is important that there is a clear framework for the industry to move forward on. With that, in conjunction with the recommendations in this committee report, we will hopefully move in a more positive direction in the future. The Senate committee process was useful for being able to cut through some of the issues and get to the core of the matter reasonably quickly under some time pressure. As the person that moved the motion to refer the matter to the committee, I hope it justifies and demonstrates the value of the committee process.

Senate committee reports are becoming structured along party lines a bit too frequently these days, so it was pleasing to be able to work together towards what was if not a total consensus then a fairly close approximation of it. That enhances the value of the outcome and, hopefully, will increase the attention that the government and AFMA pay to what is in the report. It is something that the committee took quite seriously. Despite all this process, there is still a notice for disallowance before the Senate from the Standing Committee on Regulations and Ordinances. So the issue has not quite been put to rest yet. As senators would probably know, the regs and ords committee operates on a fairly different plane to most other committees and considers purely technical components of legislation. That is still before the chamber so, in that sense, the issue is not fully resolved. But the committee process and the report that we are debating at the moment have gone a long way to shining light on the issues and processes and, hopefully, will shine light on getting improvements in the future as well. I seek leave to continue my remarks later.

Leave granted; debate adjourned.
Consideration

The following orders of the day relating to committee reports and government responses were considered:

Privileges—Standing Committee—

84th report—Possible unauthorised disclosure of draft parliamentary committee report

85th report—Possible intimidation of a witness before the Employment, Workplace Relations, Small Business and Education References Committee.

Motion of the chair of the committee (Senator Ray) to take note of reports agreed to.

Regulations and Ordinances—Standing Committee—Annual report 1998-99. Motion of the chair of the committee (Senator Coonan) to take note of report agreed to.

Socio-Economic Consequences of the National Competition Policy—Select Committee—Report—Riding the waves of change. Motion of the chair of the committee (Senator Quirke) to take note of report called on. Debate adjourned till the next day of sitting, Senator Ludwig in continuation.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Calvert)—That concludes the consideration of committee documents. I propose the question:

That the Senate do now adjourn.

Lyons Tribute

Senator WATSON (Tasmania) (6.37 p.m.)—On Australia Day the most moving ceremony I attended was the unveiling of the Lyons Tribute in Devonport, Tasmania. It is a memorial to Devonport’s most prominent and historically significant citizens: the Rt. Hon. Joseph Lyons, the only Tasmanian to be Prime Minister, and his wife, Dame Enid Lyons, a pioneer of women in Australian politics. The tribute consists of bronze busts sculpted by Tasmania’s nationally acclaimed sculptor and civic engineer, Stephen Walker AM, mounted on stone plinths and set inside a hand-built rock wall on a paved viewing area beside the Mersey River.

The project was an initiative of the Rotary Club of Devonport North who applied for, and received, funding of $25,000 under the Centenary of Federation Fund. The grant, added to other funding secured, ensured the completion of the very impressive project in time for the unveiling on Australia Day. In his introductory comments, the President of the Devonport North Rotary Club, Mr Alan Pattison, expressed the club’s gratitude for their three main sources of financial assistance. In order of receipt they were $5,000 from the Commemoration of Historic Events and Famous Persons Program, $10,000 from the Devonport City Council and, finally, $20,000 from the Centenary of Federation Braddon Electorate Fund.

The value of these grants was very much enhanced by the contributions of many local sponsors who showed great community spirit and supported Rotary in its endeavours. I must say that it is so wonderful to see the community and government working together to achieve something so significant. It is an excellent example to other individuals and organisations that want to achieve their vision. The Devonport North Rotary Club is to be warmly congratulated for its initiative. The first suggestion that the club should develop something to commemorate the Hon. Joe Lyons and Dame Enid Lyons was that of a former club president, the late Dr Peter Brothers, in 1994. My special thanks are recorded to Richard Quinn, the club secretary, and members of the Devonport North Rotary Club for allowing me to use some of the comprehensive details they gathered and the words they prepared for delivery in their speeches on that impressive unveiling day.

Special mention is also made of the four Rotarians who comprise the club committee which brought the Lyons Tribute from an idea to reality. They are Leon Wootton, John Phillips, Bruce Gowans and Richard Quinn. I am advised that together they spent many hundreds of hours over the last two years to bring the Lyons Tribute to completion especially for Australia Day 2000. This tribute will serve as a tangible reminder of the way two ordinary Tasmanians of humble origin rose to the pinnacle of citizenship and statesmanship in our country—so humble that, during his address on behalf of the Lyons family, Peter Lyons expressed the sentiment that his mother and father would be bewildered at the fuss that was made on that day. You had only to see their very modest
graves at the local Mersey Vale cemetery to know exactly what he meant.

Since Federation, the Hon. Joe Lyons is the only person who has been Premier of his state, 1923 to 1928, and Prime Minister of the country, 1932 to 1939. Dame Enid’s achievements, as a pioneer of Australian women in politics while being the mother of 12 children, had a very significant impact on the national scene at the time. She was the first woman elected to the House of Representatives in 1943 and the first woman appointed to cabinet in 1949. One of the great strengths of the Lyons family was the sense of partnership that existed between husband and wife from the time of their marriage in 1915 until Joe’s death in office in 1939. In her subsequent career, Dame Enid still drew inspiration from their time together.

The joint tribute therefore preserves a very valuable part of Devonport’s history. The city has come of age by recognising its famous forebears. I think it is a sign of maturity that this has eventually happened. How appropriate it is that the tribute was unveiled on Australia Day using funds from the Commemoration of Historic Events and Famous Persons Program and the Centenary of Federation funds. The Devonport North Rotary Club; the Mayor of the City of Devonport, Alderman Mary Binks, who unveiled the tribute; members of the Centenary of Federation Grant Electorate Advisory Committee; the member for Braddon, Sid Sidebottom; aldermen of the Devonport City Council; contractors; sponsors; council staff; and all those who in any way contributed can be justly proud of the magnificent Lyons Tribute that now stands on the western bank of the Mersey River in Devonport. Honourable senators, the tribute is a must to see for any visitor, and I invite all members and senators to the city of Devonport in the electorate of Braddon to view this outstanding achievement.

Telstra

Senator LUNDY (Australian Capital Territory) (6.42 p.m.)—I rise this evening to talk about Telstra and its recent efforts in announcing a large number—in fact, 16,000—of job redundancies. I would like to make a few observations about the conduct of this corporation in the context of the political climate not only as they seek to gain the support of the government for further privatisation—because they already have that—but also for the remarkable way in which they conducted themselves whereby on the same day as the announcement of multibillion dollar profits they also announce that the fate of 16,000 of their employees will not be as rosy as it otherwise would have been in permanent employment.

But in that context I ask: where are Telstra going as a company and what relationship does that have with public policy in this country? Telstra have a long and proud history which can be attributed to the efforts of the many thousands of workers who have worked for that company both now and in the past. I would particularly like to acknowledge this evening all of those Telstra employees who have been made redundant in the past or who have found that they can no longer cope with the morale situation in that corporation and have looked for a restoration of their professional self-esteem by venturing elsewhere. I do so because it is very clear that Telstra want to move up the information chain. They want to move up the food chain in the value added aspect of the information society. They see themselves in the upper echelons where the profit margins are even greater and the returns to shareholders hence become more bloated than they otherwise would have been.

I looked with interest today at the comments of Dr Switkowski at Telstra’s briefing for parliamentarians. I note with interest the comments relating to the contracting out or outsourcing of all of those—what Telstra obviously perceives as—lower level services; indeed, those services that actually make Telstra a telecommunications carrier in the design of networks, the maintenance of those networks and the on the ground service delivery which involves so many of those Telstra employees; seeing Telstra letting go of that role it has in the marketplace and continually focusing on the top end of that market—on the Internet, which honourable senators would appreciate is a particular interest of mine, and the value adding that goes with offering services in a new multimedia or, indeed, converged digital environment.
I think evidence of this moving up in the food chain was presented also by comments of Mr Graeme Ward at today’s briefing when I asked him what role Telstra perceived itself as playing if, indeed, the universal service obligation was put out to competitive tender. I also asked whether he could guarantee that Telstra would, indeed, participate in a competitive tendering process for the delivery of the universal service obligation to rural and regional Australia in particular—but, in fact, it also applies to metropolitan Australia. Of course, Mr Ward gave a lot away when he was prepared not to give such a guarantee but said that he would look at the tender conditions, and Telstra would make its decision on that.

In normal circumstances this would make good business sense. But I raise this on the basis that, in fact, it serves as a warning and an indicator of Telstra’s desire to move up the information society food chain to the more value added areas. Despite claims by the Telstra Corporation that it is improving its services across Australia, we know that its consumers, through their experience with Telstra’s telecommunication products and services, are by and large not a happy lot. There is a qualification here. We do tend to hear about the complaints, the unhappy customers. But I have to tell you that the level of complaints, unhappy customers and anecdotal stories that come to me personally indicate that there is a malaise within the management of this organisation that can only demonstrate that there is no commitment to providing the traditional on the ground service levels that the Australian community has come to expect.

There are a couple of stories I would like to tell that I think illustrate the point I am trying to make. These stories relate particularly to those in regional Australia who seek to enhance their services by contracting Telstra to come in and install an extra line. There are consistent stories about the waits that they experience. The decline in service response mirrors almost precisely the decline in the number of employees that Telstra has in these areas. Yes, there has been technological change, there has been progression; and yes, you can service a lot more people with perhaps the use of some innovative technologies. But the bottom line is that I do not believe Telstra is committed to providing the services of a telecommunications carrier in maintenance and ongoing services at that consumer end of the market.

So what does all this mean in the context of public policy? What is public policy all about in the telecommunications area? I believe that it is about providing a standard of service that affords Australians the right to communicate, to share information and to interact with their community and with those outside their community. If you subscribe to the fact that information is power in a modern society—and I certainly do—then the role of our telecommunications carriers or, indeed, in the context of the information society, those who transport, distribute and manage information, becomes absolutely critical to serving the needs of an information society, a modern society.

This is where Telstra is letting Australia down. Far from being the visionary organisation that Mr Switkowski makes such valiant efforts to represent it as, Telstra is hindering this country’s progression in the information society. It is hindering the fact that we need to have a better quality of Internet connectivity. It is very convenient for me and certainly many of my colleagues to call on the plethora of examples that exist of these inefficiencies and quite exorbitant pricing structures in rural and regional Australia—and I think that emphasis is highly deserving. But I also think there is an across-the-board analogy that applies. Show me an innovative business, even a dotcom start-up out there that is trying to make its way in the world: one of its primary facilitators for success is access to bandwidth. Show me one that can sing the praises of the service it has received from Telstra. Show me one that will put Telstra out in front as an exemplar of a corporation capable of taking Australia into the information society. It is actually not there.

I watch with interest as Telstra grapples around in the convergence area and looks for solutions in e-commerce and content delivery or content distribution. I can cite examples of alliances it has built up recently; certainly the partnership it is seeking to develop with the
ABC provides a pertinent example. Telstra is floundering around in this new territory, looking for a way to strike gold in the value-add of the information society at the top end of that food chain. It has not found it yet. But Telstra as a company, whilst it is still searching, is letting go of its grassroots. It is letting go of the services it delivers in that local loop in its consumer access network—its CAN. In letting go of those, it finds itself out there in no-man’s-land. It finds itself in an industry that is fast paced, dynamic, exciting and, as someone said today—it might even have been the minister—a driving force in economic growth in any country: the information and communications technologies area.

I cannot stand here and acknowledge the role that Telstra has had in leading Australia down this path. I can only cite plenty of anecdotal stories that have been told to me about the hindrance that Telstra puts in place, about some of its behaviour certainly in seeking to block out competitors offering innovative services and about it seeking to make it hard for those who are searching for greater bandwidth to facilitate their idea, their start-up. I can only say to the chamber this evening that I think it is a very unfortunate circumstance that, despite the magnificent rhetoric emanating from the leadership of that corporation, there is no substance. In that sense, it reflects very closely the government with whom it has formed such a close, symbiotic relationship over the past four years.

I will respond by making a number of points. What a short memory she and the opposition have in regard to the old Telecom—the lumbering, arrogant monopoly. Talk about bad service; it was the worst service provided by any of the government monopolies—and there were many, such as the Commonwealth Bank, at that time. Let us not glorify or rewrite the history of the past of a government monopoly. When it comes to service, they are the worst. I should have said at the outset that I believe Telstra has a long way to go. The government monitoring shows that.

When it comes to service, I point out that we have in place the custom service guarantee. Senator Lundy should note that Mr Col Cooper from the CEPU admitted on radio this morning that there had been a recent pick-up in service standards. It is not as bad as Senator Lundy would have us believe from her unmentioned anecdotal stories. It could be a lot better. Of course it could be a lot better. We are going to push Telstra to make it a lot better. Mr Col Cooper from the Telstra union told us clearly that the services have greatly improved.

The unemployment issue is unfortunate. I must admit that, from my point of view, it is a little bewildering. I cannot understand why the Chief Executive Officer would announce a record profit and at the same time announce redundancies. I think that is bad judgment. It is simply not the beat-up and emotionalism that the other side have grasped. I simply say that the Chief Executive Officer gave them the opportunity to grasp some false emotion. In 1991, there were 17,000 lay-offs by the then minister for telecommunications, the now opposition leader, Mr Beazley. What did he say to defend the 17,000 lay-offs? He said, ‘This is part of the restructuring of the whole industry, the new competitiveness necessary in the industry.’ That is basically what we are saying now.

Let us have a close look at the 10,000 so-called sackings, as the media and opposition have put it. Of the 10,000, 2,000 positions will be outsourced. Some 3,000 will
come from natural attrition. Those on the other side have failed to mention that 3,000 additional staff will be employed by Telstra. They will certainly be in different positions requiring different skills. When you do your figures that greatly reduces it to a true net of 3,000 redundancies. It is not the 10,000 figure as announced in the media and grasped by the opposition. That is the gross figure. The net figure is far lower. The 3,000 people who will be made redundant over the next two years will be going into an industry that has 12 per cent growth. The telecommunications industry has the highest growth rate of any industry in this country. They will be picked up by the 37 new licensed carriers. I believe that, as history has shown, those who will be laid off by the one-time monopoly Telstra will be picked up by the 37 new licensed carriers.

This government has a responsibility for service to rural and regional areas equivalent to that in the metropolitan areas. To that end, this is the only government that has legislated the customer service guarantee. We have an obligation to make sure that technology in rural and regional areas is up to standard. Through the part privatisation of Telstra we have created a social bonus of billions of dollars which brings up to standard the technology in rural and regional areas. That is where the whole of the social bonus is being spent. These measures are backed by law. I counter Senator Lundy’s last minute comments in the dying minutes of this parliament. I ask Senator Lundy why she did not mention this yesterday.

**Senator Quirke**—Wait on a minute, is there an election?

**Senator McGauran**—No election has been called. She said this at the end of this week’s sittings. If she was so anxious about the whole issue, if she was so on top of the whole issue, why did she not bring it up yesterday? This is an old announcement. It was made public yesterday morning. We never heard anything in question time yesterday. We never heard anything from Senator Lundy in the adjournment debate yesterday or through a matter of public interest. She comes in here as one of the last speakers on the adjournment this week and shows feigned outrage about Telstra’s announcement. It is not only unfortunate but seems a little thoughtless to connect a major profit with major redundancies. I have gone through that. Then she tells us that she has many anecdotal stories of a lack of service. She did not give us one. She avoided the comment of Mr Col Cooper from the Telstra union, who admitted on this morning’s radio that there had been a pick-up in Telstra’s service standards.

The bottom line is that Telstra is continuing to go through a restructure process. This is the old monopoly having to meet the new competition. As I said, there are 37 licensed carriers out there competing heavily with Telstra and we are seeing the prices come down in the rural and regional areas. For example, pastoral calls, in particular, have dropped some 20 per cent. We are seeing the prices come down in the area of local calls, long distance calls and international calls. That is the stiff competition Telstra is up against.

Senator Lundy, in a most confused fashion—I will ask her to untangle herself next week, if she can, on this issue—criticises Telstra for going up what she called the ‘food chain of technology’ and being interested only in the Internet and new technologies and leaving behind its core business. That is so far from the truth. That is bad business—and I think Telstra know good and bad business. That is bad business and it is not legally possible for Telstra to do that. They are sticking to their core business in relation to international calls and local calls. As I say, on the one hand, she is criticising them for being more interested in Internet business than their core business and then, on the other hand, she contradicts herself by saying that Telstra are hindering these new technologies in regard to the Internet. I did not know what she meant by that. I see Senator Ludwig taking notes on this. Perhaps he understood her. He may well understand his colleague better than anyone. I would invite Senator Ludwig to explain to us what Senator Lundy actually meant.

**Regional Forest Agreements: Queensland**

**Senator Ludwig (Queensland)** (7.02 p.m.)—What I was doing was taking notes to pass on to Telstra your praises of their busi-
ness and your spirited defence. I think you failed in short.

Turning to the issue at hand, I rise tonight to talk about the Queensland RFA. In September 1999, the Queensland government released a south-east Queensland forest stakeholder/Queensland government agreement, which proposed inter alia a phase-out of logging in state owned native forests, increased establishment of hardwood plantations and the inclusion of additional forest areas in the Queensland national parks. It was a paper agreed to by the major players: the Australian Rainforest Conservation Society, the Queensland Conservation Council, the Wilderness Society, the Queensland Timber Board, the Queensland government—supported by relevant unions.

It committed the Queensland government to develop substantial native hardwood plantations to enable the industry to transition to a plantation based resource by 2025, to phase-out logging of native forests on state forests by the end of 2024, to immediately add 425,000 hectares to the conservation system, to preclude clear-felling, to prevent the establishment of an export woodchip industry based on native forests, and to facilitate industry transition to the use of a substantial native hardwood plantation based resource for value adding processing by 2025.

Mr Tuckey, the Minister for Forestry and Conservation, stated that this agreement would be regarded as the negotiating position of the Queensland government and that it did not constitute an RFA since it was not a mutual agreement between the Commonwealth and a state government. Later, all that Mr Tuckey could argue was that ‘jobs would be lost and sawmills closed under the Queensland government’s regional forestry agreement’, as reported by AAP on 6 March 2000. He further went on to say that ‘100 jobs would be lost at mills which had been bought out by the Queensland government’. However, Mr Tuckey has missed the boat. The Queensland Timber Board stated in a press release on 23 February 2000:

... attempts by Federal Minister for Forests, Mr Wilson Tuckey and six Queensland Coalition MPs to destroy a State Government, timber industry and conservation agreement are ‘anti-industry’.

Mr Rod McInnes went on to explain:

The sawmillers of South-East Queensland have been offered, for the first time ever, long-term, compensation wood supply agreements at current allocation levels.

These agreements will underpin investment, employment and economic security for the sawmills and the 35 rural communities that depend on them. The coalition MPs have simply stalled—they have become petrified. Clearly, the six Liberal MPs now have the task ahead to come up with a better deal. They rejected the agreement. Let me hear their solution. It seems that they have not consulted with the industry. I do not recall them being at the timber rally with me in Queensland. They have now shown a very, very belated interest in the timber industry.

The true position is that there would be an $80 million state government assistance package to the Queensland forestry industry to implement the agreement. There would be about 80 jobs lost, I am informed, initially—not 100, as Mr Tuckey emphasises. But the restructure was expected to offer the timber industry a net job increase of 350—something of the analysis that Senator McGauran was talking about with Telstra. It seems to be an analysis that he wants to be only a one-sided affair. The industry would not fail as a consequence. The state government wanted the Commonwealth to contribute $36 million in RFA funding to implement the agreement. So now the six MPs also have the task of coming up with $6 million each to ensure the sustainability of the timber industry in Queensland. That is the shortfall they have convinced Mr Tuckey not to contribute to.

Queensland now has no alternative but to go it alone. Queensland will now have to fund this shortfall in order to restructure the forest industry in light of the decreased forest product yield resulting from the inclusion of part of the forest estate into the Queensland national parks system, amended sustainable yield calculations and any shortfall or differential in wood production caused by the phase-out schedule of logging in native forests not being met by plantations coming on stream.
These six Liberals have apparently, it was reported, asked the Prime Minister to reject the Queensland RFA, but they seem not to understand. All but three of the regional timber mills would maintain their current quota for 25 years and the operations of Boral would be bought out. Have the pack of six asked Boral and the three timber mills what they think? Mr Laurie Ferguson, shadow minister for forestry and conservation, summed it up very well in a press release. He stated:

Mr Wilson Tuckey is clearly refusing to release earmarked funding for needed employment and industry development measures to punish the timber industry for daring to reach a negotiated agreement with the State Government and the conservation movement.

The six MPs should stand up for Queensland and support the RFA so needed by the industry. Perhaps they have not heard the benefits. It is worth reiterating them. Firstly, it delivers for small sawmillers. All small south-east Queensland sawmillers have signed up for the 25-year wood supply agreement at current wood allocation levels. At the end of 25 years, these small sawmills will move across to a plantation resource which is currently being planted. Secondly, large scale hardwood plantations are already in the ground. The Department of Primary Industry, DPI, Forestry has already planted some 800 hectares of native hardwood in south-east Queensland, with several thousand more hectares to be planted in the next few months. It should be congratulated for its initiatives.

Native hardwood plantations will reach maturity in 25 years. Federal forestry minister Wilson Tuckey’s own department recently produced a report called Opportunities for hardwood plantation development in south-east Queensland. This report provided research results confirming that plantations of the native species blackbutt, Gympie messmate and spotted gum can produce sawlogs in 25 years. Resource security is already creating new opportunities and jobs. The 25-year wood supply has already helped to improve the economic prospects of the small community of Wondai in the South Burnett area because it has allowed the local sawmill to make an $800,000 upgrade. In the next few years, more and more of the 35 timber dependent communities will see this type of investment and development as a direct result of this agreement.

There will be no more job losses. The deal signed by the timber industry provided for displaced workers from the Boral mill closure at Cooroy to take up other employment opportunities in the timber industry in south-east Queensland. Without this agreement, numerous mills would have had to shut down in the next 12 months. Without the state government stakeholders’ agreement, the hardwood industry was facing an immediate 25 per cent reduction in crown allocation, forcing many to close their doors almost overnight. This situation has now been averted. Local government also supports the initiatives. After numerous meetings and discussions that the Queensland Timber Board has held with the Local Government Association of Queensland and individual councils, these groups accept that this is a good deal. Last year, during the intense lobbying and the enormous protest march held by the industry through the streets of Brisbane, not one of the federal members of parliament who have criticised the deal turned up and offered their support or went to find out the true issues at stake. I did.

Senate adjourned at 7.11 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:
Taxation Ruling TR 2000/5.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Civil Aviation Safety Authority: Staff Interviews
(Question No. 1178)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 July 1999:

(1) On what date were officers of the Civil Aviation Safety Authority (CASA) based in Darwin and in Adelaide advised that they were required for an interview on 26 June 1998 for the position of Assistant Director Safety Compliance.

(2) When were their applications for this position received by CASA or by Mr Spencer Stuart acting on behalf of CASA.

(3) How, and by whom, was that invitation for an interview communicated to the two CASA officers.

(4) Were both CASA officers advised that the interview was only of a preliminary nature; if not, what advice were they given as to the purpose of the interview.

(5) When, and by whom, were the two officers advised that their applications for the assistant director’s position had not been successful.

(6) On how many occasions did the director of CASA communicate, by way of letter, e-mail, fax, phone or in person, with these two officers.

(7) What was the purpose of each contact.

(8) Can a copy be provided of all correspondence between these two CASA officers, the Minister or his office, the director of CASA, or any officer acting on his behalf, and Mr Spencer Stuart.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1)-(8)I have been informed by CASA that it believes the report by Mr Stephen Skehill on the appointment of Mr Foley as Assistant Director, which was tabled in the Senate on 30 September 1999, addresses the issues raised in these questions.

Civil Aviation Safety Authority: Board Minutes
(Question No. 1218)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 5 August 1999:

(1) Who has been responsible for the taking of minutes for the Civil Aviation Safety Authority (CASA) since January 1997.

(2) Since that date what procedures have been followed in the drafting and clearing of the CASA Board minutes.

(3) Were the above procedures for the drafting and clearing of CASA Board minutes followed for meetings of the board in February, March, April, May, June, July, August and September 1998.

(4) If there was any variation to the procedures followed in the drafting and clearing of board minutes in any of the above meetings: (a) what meetings did those minutes relate to; and (b) in each case, what was the procedure used to prepare and clear the board minutes.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s questions:

The Civil Aviation Safety Authority has provided the following information:

(1) The CASA Board Secretariat.

(2) Draft Minutes are initially provided by the Board Secretariat to the Chairman for comment on accuracy. Following his consideration, the draft Minutes are included in the papers for the next Board meeting. These papers are distributed to Board members, the Director and relevant CASA managers during the week prior to the next Board meeting. The Minutes incorporating amendments agreed by the Board are formally ratified during that next Board meeting. Draft Minutes are circulated to Board members in sufficient time to enable their consideration prior to the meeting. All Board members have
reasonable opportunity to ensure that the contents of the Minutes accurately reflect the proceedings of a meeting.

(3) Yes.

(4) Not applicable.

Civil Aviation Safety Authority: Operations of Aquatic Air or South Pacific Airlines

(Question No. 1219)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 5 August 1999:

(1) Did the board of the Civil Aviation Safety Authority (CASA) and the board’s Safety Committee consider the actual reports from the Regional Manager for the South East Region relating to the operation of Aquatic Air or South Pacific Airlines.

(2) If the actual reports were not considered, did the CASA Board or the Board Safety Committee consider summaries or amended copies of the above reports; if so, on how many occasions did the board or the Safety Committee consider only summaries or amended copies of the reports.

(3) On what dates did the board or the Safety Committee consider: (a) actual reports from the regional manager relating to the operation of Aquatic Air or South Pacific Airlines; and (b) summaries or amended copies of the reports.

(4) Where summaries or amended copies of the actual reports from the Regional Manager were considered, on each occasion who prepared the summaries or amended the original reports.

(5) On how many occasions were the above summaries or amended reports checked with the writer of the original reports.

(6) If the summaries or amended reports were not checked, why not.

(7) If the summaries or amended reports were checked, on how many occasions were they endorsed as accurately reflecting the contents of the original report.

(8) On how many occasions were the above summaries or amended reports not endorsed and, in each case: (a) what was the nature of the error; and (b) was that error corrected to the satisfaction of the author of the original report before the material was provided to the board or the Safety Committee.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Civil Aviation Safety Authority has provided the following information:

(1) An e-mail sent by the Regional Manager, South-East Region to the Director and the General Manager, Corporate Relations on 25 November 1997 was faxed to members of the CASA Board on 28 November 1997.

A report prepared by the Regional Manager, South-East Region dated 1 December 1997, after amendment to comply with the format requirements of Board papers, was provided to the Board Safety Committee out of session on 1 December 1997 and was considered by the Board Safety Committee on 11 December 1997.

As noted above, on 11 December 1997, the Board Safety Committee considered a report prepared by the Regional Manager, South-East Region which had been amended only to comply with the format requirements of Board papers. The text was not amended.

The report of 1 December 1997 was provided to the CASA Board on 12 December 1997.

On 30 March 1998, the General Manager, Corporate Relations, copied to members of the Board an e-mail from the Regional Manager, South East Region attaching a show cause letter to the chief pilot of South Pacific Seaplanes.

On 5 May 1998 the Regional Manager, South-East Region e-mailed the General Manager, Corporate Relations and the Director to advise them that he had suspended the AOC of South Pacific Seaplanes. This e-mail was forwarded to the members of the Board Safety Committee that day.

(2) On 14 May 1998 the Board Safety Committee considered an extract from an e-mail from the Regional Manager, South-East Region to the Acting General Manager, Aviation Safety Compliance dated 6 May 1998.
Thursday, 9 March 2000

On 29 May 1998, following advice from the Regional Manager, South-East Region, the Acting General Manager, Aviation Safety Compliance, e-mailed the Director and the General Manager, Corporate Relations, to advise them of the consent stay order and the conditions upon which it was granted. This e-mail was forwarded to the Board Safety Committee members on 1 June 1998 (next working day) and was considered by the Committee at its meeting on 12 June 1998.

On 12 June 1998, the Board Safety Committee considered a report from the Acting General Manager, Aviation Safety Compliance which included information provided by the Regional Manager, South-East Region.

On 21 July 1998, the Acting General Manager, Aviation Safety Compliance, provided a written report for consideration at the meeting of the Board Safety Committee of 30 July 1998 in which he reported on his communications with the Regional Manager, South-East Region.

(3) Answered in (1) and (2) above.

(4) The amended version of the 1 December 1997 report was prepared by Corporate Relations personnel. Reports which included information provided by the Regional Manager, South-East Region were prepared by the Acting General Manager, Aviation Safety Compliance.

(5) There is no record that indicates that the summary or amended reports were checked with the Regional Manager, South-East Region.

(6) The 1 December 1997 report was not checked with the Regional Manager, South-East Region because it was amended only slightly to convert it to the usual format for CASA Board papers and without variation of the substantive text.

(7) and (8) Not Applicable.

**Civil Aviation Safety Authority: Operations of Aquatic Air or South Pacific Airlines**

(Question No. 1220)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 5 August 1999:

(1) Did the board of the Civil Aviation Safety Authority (CASA) and the board’s Safety Committee consider any documents relating to the operation of Aquatic Air or South Pacific Airlines in addition to actual reports from the Regional Manager for the South East Region or summaries or amended copies of those reports; if so: (a) on how many occasions did the board or the Safety Committee consider additional material relating to the operation of Aquatic Air or South Pacific Airlines; and (b) what was the nature of that material?

(2) On each occasion who prepared the above material.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s questions:

The Civil Aviation Safety Authority has provided the following information:

(1) Yes

(a) and (b) A Summary Report of Safety Issues arising in April 1997 was considered by the Board Safety Committee at its meeting on 13 June 1997. That Report made reference to a South Pacific Seaplane aircraft having taken off in excess of its Gross Maximum Take Off Weight (MTOW) and a Non-Compliance Notice having been issued. On 27 June 1997 the Board considered an extract from that Report which dealt with South Pacific Seaplanes.

The CASA Board considered the following at its meeting on 18 July 1997:

(i) The Director’s Report which, among other things, advised that South Pacific Seaplanes had been considered by the Safety Committee at its meeting held on 2 July 1997 and that the Committee determined that the operator should be considered by the Minister for publication in a Serious Deficiency Summary under administrative arrangements that were proposed at the time the report was prepared to implement a recommendation of the December 1995 **Plane Safe Report**. These arrangements were subsequently not proceeded with.

(ii) An extract from the Summary Safety Report - Section 2 Serious Deficiency Summary, which proposed that South Pacific Seaplanes should be referred to the Minister for consideration.
A copy of a letter to CASA dated 21 August 1997 from Mr Henry Gorman, a former employee of South Pacific Seaplanes, was provided to all Board members out-of-session on or before 29 August 1997.

On 11 June 1998 the General Manager, Corporate Relations forwarded to the members of the CASA Board a letter of complaint dated 1 June 1998 from Mr Rob Britten, of Sydney Harbour Seaplanes regarding South Pacific Seaplanes.

An extract from the Compliance and Enforcement Report relating to South Pacific Seaplanes was considered by the Board Safety Committee at its meeting on 12 June 1998.


On 30 July 1998 the Board Safety Committee considered an extract of a report from the Aviation Safety Compliance Report for the period 12 June to 20 July (sent to the Board on 24 July) and an extract from the Compliance and Enforcement Report relating to South Pacific Seaplanes.

At its meeting on 31 July 1998 the Board considered a letter from the Chairman dated 23 July 1998 to Mr Rob Britten of Sydney Harbour Seaplanes.

(2) The authors of each document are referred to in the above answer to Questions 1(a) & (b) other than the authors of the Compliance and Enforcement Reports, the Aviation Safety Compliance Branch Reports and the Summary Reports of Safety Issues Arising. The authors of those other reports were staff of CASA.

Minister for Finance and Administration: Departmental Liaison Officers

(Question No. 1305)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 August 1999:

(1) How many departmental liaison officers are employed in, or were seconded to, the Minister’s office as at 23 August 1999.

(2) (a) What are the names of the officers; (b) what are their employment classifications; and (c) what duties are they assigned, that is, to which policy areas or agencies are they allocated responsibility.

(3) What was the total cost to the department of these officers.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator’s question:

(1) Two

(2) (a) Ms Louise Kamp and Mr Geoff Hill
(b) DOFA Level B and DOFA Level D
(c) Ms Kamp - liaison between the Minister and the department on a range of policy matters, with particular emphasis on Budget issues.
Mr Hill - liaison between the Minister and the department in relation to administrative matters.

(3) Total cost to the department for DLOs during period 21 October 1998 to 23 August 1999 is $108,348.36.

Parliamentary Secretary to the Minister for Finance and Administration: Departmental Liaison Officers

(Question No. 1330)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 August 1999:

(1) How many departmental liaison officers are employed in, or were seconded to, the Parliamentary Secretary’s office as at 23 August 1999.

(2) (a) What are the names of the officers; (b) what are their employment classifications; and (c) what duties are they assigned, that is, to which policy areas or agencies are they allocated responsibility.

(3) What was the total cost to the department of these officers.
Senator Ellison—The answer to the honourable senator’s question is as follows:

(1) One.
(2) (a) Ms Deborah Owen.
   (b) DOFA Level C.
   (c) liaison between the Parliamentary Secretary and the department in relation to administrative and policy matters.
(3) Total cost to the department for DLO during period 21 October 1998 to 23 August 1999 is $59,838.85.

Department of Transport and Regional Services: Freedom of Information Requests
(Question No. 1473)

Senator Faulkner asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 21 September 1999:

(1) What are the: (a) formal qualifications; (b) relevant experience; and (c) employment classification/grade, of each departmental officer who has made initial stage decisions regarding requests under the Freedom of Information Act, since 3 March 1996.
(2) What are the: (a) formal qualifications; (b) relevant experience; and (c) employment classification/grade, of each departmental officer who has made internal review decisions regarding requests under the Freedom of Information Act since 3 March 1996.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Department

(1) and (2) Under the Information Privacy Principles, the Department is not prepared to release details regarding qualifications and experience in regard to decision makers. Delegations for decision-making are made to positions and not individuals.

The Civil Aviation Safety Authority

(1) All such decisions under the Freedom of Information Act have been made by officers of the Civil Aviation Safety Authority employed as Legal Counsel. These officers have ranged from the ASO6 to the MM/SS Range 6 classification levels.

All officers employed as Legal Counsel by the Civil Aviation Safety Authority have tertiary qualifications in law and experience in administrative law.

(2) All such internal review decisions under the Freedom of Information Act have been made by officers of the Civil Aviation Safety Authority employed as Legal Counsel. Officers making internal review decisions have ranged from the MM/SS Range 1 to the MM/SS Range 6 classification levels.

Officers employed as Legal Counsel by the Civil Aviation Safety Authority have tertiary qualifications in law and experience in administrative law.

Airservices Australia

(1) and (2) During the period March 1996 to the present time, a number of Airservices officers have been involved in making decisions at both initial decision-making and internal review stages, a number of whom have since left Airservices’ employ.

However, Airservices can advise that since early 1996, the Freedom of Information function has been centralised within its Office of Legal Counsel, where requests are co-ordinated, and primary decisions made and advised to the applicant by the Co-ordinator FOI and Inquiries who has specialist experience in this area.

Since early 1996 and to date, the following positions within Airservices hold delegations under the FOI Act:

Chief Executive
Director Corporate Strategy (and Corporate Secretary)
General Counsel
Legal Counsel (2)
Co-ordinator FOI and Inquiries
National Capital Authority

(1) and (2) Under the Information Privacy Principles, the National Capital Authority is not prepared to provide details of the formal qualifications, relevant experience and employment classification of each departmental officer who has made initial stage decisions or internal review decisions regarding requests, as the information could be used to identify the individuals concerned.

The Australian Maritime Safety Authority

(1) and (2) AMSA does not have a publicly available record which includes this information. AMSA is not prepared to release details regarding qualifications and experience in regard to decision makers. Delegations for decision making are made to positions and not to individuals.

Qantas Airways: Incident at Bangkok Airport
(Question No. 1698)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 October 1999:

With reference to the crash-landing of a Qantas aircraft at Bangkok airport in September 1999:

(1) Has the Minister received a preliminary report from the Bureau of Air Safety Investigation on the incident and; if so, when and with what conclusion.

(2) Has Qantas or Ansett reduced pilot flight-simulator practice requirements in recent years; and if so, how and why.

(3) Are reports that it took 15 minutes before the passengers left the plane correct; and if so, what was the reason for the delay.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) Initially the investigation into the circumstances of the accident involving Qantas Boeing 747 VH-OJH at Bangkok was undertaken by the Thai aviation authorities. In accordance with ICAO Annex 13, the Thai authorities were responsible for the preparation and release of all information regarding the accident and the conduct of the investigation.

On Monday 22 November 1999, the Thai authorities advised a decision to delegate to the Australian Transport Safety Bureau (ATSB) responsibility for conducting the investigation on behalf of the Aircraft Accident Investigation Committee of Thailand. The ATSB accepted the delegation and has commenced an investigation into all aspects that may have influenced the circumstances of the accident. An Interim Factual Report was released by the ATSB on 26 November 1999.

(2) The Civil Aviation Safety Authority has advised that there have been changes to both Qantas and Ansett pilot flight-simulator requirements during the past year, resulting in a reduction in total hours.

In the case of Qantas, the number of sessions was reduced from four to three (resulting in 12 hours total per year compared with the previous 16 hours). Under the old program, one session per year was devoted to Crew Resource Management (CRM), which involves the application of human factors, decision-making, communication skills and interpersonal skills to the operation of the cockpit, the cabin, the ramp, air traffic, etc, and this was a no-jeopardy exercise. Under the new schedule of three sessions, CRM is an integrated part of all sessions and is assessable.

In Ansett’s case, the previous schedule of four sessions per year has been changed. Ansett pilots now visit the simulator twice a year with two (back to back) sessions on each two-day visit. The first of these sessions is two hours in duration and involves a “first look” at manipulative skill. Participants must be assessed with a “pass” for this session before proceeding to the second day, which involves a four-hour session. This means that under the new arrangement, there is a total of 12 hours per year instead of the previous 16 hours. There is far greater emphasis on measuring competency and providing remedial training. Extra sessions are either required or recommended respectively, for pilots not attaining, or just meeting the standard.

(3) The Interim Factual Report identified that “Approximately 20 minutes after the aircraft stopped, the crew initiated an evacuation ....” Information of the details of the evacuation, including timings, are being obtained via a survey of the passengers.
Department of Transport and Regional Services: Staff Training, Consultants and Performance Pay
(Question No. 1733)

Senator Faulkner asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 2 November 1999:

As a dollar amount, and as a percentage of the department’s total outlay on salaries, what was the cost in the 1996-97, 1997-98 and 1998-99 financial years of: (a) staff training; (b) consultants; and (c) performance pay.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(a) The Department’s expenditure on staff development activities was:
   $1.648 million in 1996-97, equivalent to 3.0 per cent of salaries;
   $1.403 million in 1997-98, equivalent to 2.8 per cent of salaries; and
   $2.201 million in 1998-99, equivalent to 4.1 per cent of salaries.
(b) The Department’s expenditure on consultancies was:
   $10.1 million in 1996-97, equivalent to 18.4 per cent of salaries;
   $10.9 million in 1997-98, equivalent to 22.1 per cent of salaries; and
   $9.6 million in 1998-99, equivalent to 17.9 per cent of salaries.
(c) The Department’s expenditure on performance pay was:
   $94,000 in 1996-97, equivalent to 0.2 per cent of salaries;
   $97,500 in 1997-98, equivalent to 0.2 per cent of salaries; and

Airservices Australia: Staff Training
(Question No. 1770)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 November 1999:

(1) Have officers employed by Airservices Australia (ASA) commenced training for the provision of directed traffic information outside radar coverage using The Australian Advanced Air Traffic System.
(2) (a) When did that training program commence; (b) how many officers are involved; and (c) when is the training program scheduled for completion.
(3) What minimum standards necessary for the safe operation of aircraft in individual classes of Australian were used as part of the above training program.
(4) (a) When were these standards completed; and (b) when were the standards published
(5) Can a copy of the above standards be provided.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) Yes. Air Traffic Control officers have been providing Directed Traffic Information (DTI) services both inside and outside of radar coverage, using TAAATS since TAAATS was first commissioned. The training program for providing DTI from TAAATS commenced several months prior to the commissioning of the first TAAATS sectors in August 1998.
(2) (a) See (1) above.
   (b) All Air Traffic Controllers who work on the sectors involved have received training.
   (c) Training is scheduled for completion in June 2000.
(3) The minimum standards for safe operation of aircraft are specified as the Minimum Airspace Safety Criteria, and are published in the CASA Manual of Operational Standards.
(4) (a) 1995
   (b) 1995
(5) A copy of the CASA Minimum Airspace Safety Criteria has been provided to the Table Office.

**Maritime Safety Information and Distress Service**

(Question No. 1771)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 November 1999:

1. Does Telstra operate the Maritime Safety Information and Distress Service through a contractual arrangement with the Australian Maritime Safety Authority (AMSA).

2. (a) How long has this arrangement been in place; and (b) what is the annual cost to AMSA of providing the service through Telstra.

3. Is there a current contract between Telstra and AMSA or has that contract expired.

4. If the above contract has expired: (a) when did it expire; (b) when was a new tender for the work announced; (c) what was the closing date for tenders; and (d) has a new tenderer been selected.

5. If the contract to provide the service has expired but tenders have not yet been called, why not.

6. Has AMSA received any expressions from companies, other than Telstra, to provide the service; if so, what are the names of the companies that have expressed an interest in operating the service.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

1. Yes. AMSA contracts Telstra for the supply of safety of life at sea and global maritime distress and safety system services.

2. (a) Maritime Safety Information and Distress Service arrangements have existed in Australia since the early 1900s. To date, Telstra and its predecessors have provided these services. The current contract has been in place since 1 July 1997.

(b) The cost to AMSA of the contract to date has been $6.050 million per annum.

3. There is a current contract between Telstra and AMSA for the supply of safety of life at sea and global maritime distress and safety system services.

4. Not applicable.

5. Not applicable.

6. Not applicable.

**Vanunu, Mr Mordechai: Clemency**

(Question No. 1786)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 26 November 1999:

In light of the resolutions which have been passed by the European Parliament and the Australian Senate calling on the Israeli authorities to show clemency to Mr Mordechai Vanunu by removing him from solitary confinement and considering his early release, will the Australian Government make representations to the new Israeli Government and its Prime Minister, Mr Ehud Barak, to ascertain what progress, if any, has been made in alleviating ‘the cruel, inhumane and degrading treatment’ which according to Amnesty International he has been subjected to.

Senator Hill—The Minister for Foreign Affairs has provided the following information in answer to the honourable senator’s question:

On 13 March 1998, the Israeli Attorney General decided to release Mordechai Vanunu from solitary confinement. Reports suggested Israeli security services accepted that Mr Vanunu was no longer a significant security threat. Mr Vanunu was allowed a daily walk outside the confines of his prison and, we understand, was told he may share his cell with other prisoners. Israeli authorities have told us, however, that Mr Vanunu has refused to express regret for his past actions and this makes his early release difficult. Mr Vanunu has been allowed greater contact with fellow prisoners.

On several occasions, the Australian Government has raised formally with the Israeli Government our concern that Mr Vanunu be given equitable treatment in prison and that he not be singled out for special or unusual treatment. It is the assessment of our Embassy in Tel Aviv that Mr Vanunu’s sentence
is not markedly different from that received by other Israeli nationals accused and convicted of security-related crimes.

There are constraints on Australian Government involvement in the judicial system of another state concerning the treatment of one of its own citizens. The Government, however, is conscious a number of individuals and groups have expressed concern on humanitarian grounds at the nature of Mr Vanunu’s imprisonment and will continue to monitor his situation.

**Minister for Employment Services: Provision of Newspapers, Magazines and Periodicals**

(Question No. 542)

Senator Robert Ray asked asked the Minister representing the Minister for Employment Services, upon notice, on 9 March 1999:

What was the total cost during the 1997-98 financial year of the provision of newspapers, magazines and other periodicals to the minister’s: (a) Parliament House office; (b) home/state ministerial office; and (c) private home.

Senator Alston—The Minister for Employment Services has provided the following answer to the honourable senator’s question:

Nil. The office of Minister for Employment Services did not exist in the 1997/98 financial year.

**Australian Inland Railway Expressway**

(Question No. 1818)

Senator Bourne asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 10 December 1999:

With reference to the Australian Inland Rail Expressway proposal:

(1) Is the Government still supporting this project, particularly the first stage, being the line from Melbourne to Brisbane via Parkes.

(2) If the project is going ahead can an update be provided of the current status of the project.

(3) Can the Minister advise whether the recently-announced rail link from Darwin to Alice Springs will be of a standard to take the heaviest and fastest trains possible and will utilise the most modern technology.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

(1) The Federal Government has contributed $300,000 to a pre-feasibility study of the Melbourne-Brisbane section of the Melbourne-Darwin inland railway proposed by the Australian transport and Energy Corridor Ltd (ATEC).

(2) The Commonwealth, Queensland, NSW, Victoria and ATEC have established a project Steering Committee. The Committee recently agreed to Terms of Reference for the study and to the selection of a consultant to carry out the pre-feasibility study.

(3) The Austral Asia Railway Corporation (AARC), which is the entity established by the Northern Territory to facilitate construction of the Alice Springs to Darwin railway, advises that the railway will be designed primarily for freight operations that will be integrated with the new East Arm Port in Darwin. The AARC also advises that the Asia Pacific Transport Consortium, which is the preferred private sector consortium to build, own and operate the railway proposes to construct a railway capable of servicing 1.6 kilometre freight trains at an average speed of 115 kilometres per hour. From an operational and efficiency perspective, the consortium proposes to operate these trains at an average speed of 90 kilometres per hour.